



AGENDA  
SCOTT COUNTY  
BOARD OF COMMISSIONERS  
SHAKOPEE, MINNESOTA  
AUGUST 4, 2020

9:00 a.m.

(1) CONVENE COUNTY BOARD

(2) AMENDMENTS TO THE AGENDA

(3) APPROVE MINUTES OF JULY 21, 2020 COUNTY BOARD MEETING

(4) RECOGNITION OF INTERESTED CITIZENS

Limited to items not on the agenda, and five minutes per person/subject. Speakers are asked to approach the microphone for the benefit of viewers and interested citizens.

(5) STEWARDSHIP: WE WILL WORK PROACTIVELY TO MAKE INVESTMENTS, GUIDED BY RESIDENT INPUT, WHICH WILL TRANSFORM LIVES, COMMUNITIES, AND GOVERNMENT

5.1 Adopt Resolution No. 2020-115; Accepting Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding Allocated by the State in the Amount of \$17,719,998; Establishing a Special Revenue Fund for the Allocation; and Authorizing the Transfer of Eligible Costs Already Incurred and to be Incurred to Said Fund (*Reimbursement of COVID-19 related expenses*)

(6) CONSENT AGENDA

***Customer Service: We will deliver government services in a respectful, responsive, and solution-oriented manner***

6.1 Approve the Request for Rezoning of 40 Acres From A-1, Agricultural Preservation District, to A-3, Agricultural Preservation Density District (Denise Edstrom, Applicant and Arnold and Patricia Gansen, Property Owners) in Section 23 of Belle Plaine Township (*No fiscal impact*)

6.2 Approve the Request for Rezoning 40 Acres From UER, Urban Expansion Reserve District, to UER-C, Urban Expansion Reserve Cluster District (Randy Kubes, Applicant and Goldie M. Novak Revocable Trust, Property Owner) in Section 36 of Helena Township (*No fiscal impact*)

6.3 Approve the Request for an Interim Use Permit to Operate a Mudjacking Home Extended Business (Chris Hilfer and Julie Kacon, Applicants and Property Owners) in Section 36 of New Market Township (*No fiscal impact*)

6.4 Approve the Conversion of an Approved On Sale Liquor License to a Seasonal On Sale Liquor License for Sever's Corn Maze LP dba Sever's Farm in Louisville Township (*No fiscal impact*)

6.5 Approve Payroll Process of Personnel Actions (*No fiscal impact*)

***Collaboration: We will work with partners - communities, schools, faith groups, private business, and non-profit agencies - to see that services are not duplicated but rather are complimentary, aligned, and provided by the partners who can deliver the service most effectively***

6.6 Adopt Resolution No. 2020-111; Approving an Agreement With Carver County for a Third Addendum to the Existing Scott County-Carver County Agreement for Additional Joint Fiber Builds and Uses in Each Other's Fiber Networks (*No fiscal impact*)

6.7 Adopt Resolution No. 2020-113; Authorizing Development of a Business Assistance Program, Entering Into a Sub-Recipient Agreement With the Scott County Community Development Agency to Administer on Behalf of Scott County, and Amending the Budget to Utilize \$5.5 Million From the Coronavirus Aid Special Fund (*No fiscal impact-utilizing CARES Act Funds*)

- [6.8](#) Adopt Resolution No. 2020-114; Authorizing Development of a Housing Support Program, Entering Into a Sub-Recipient Agreement With the Scott County Community Development Agency to Administer on Behalf of Scott County, and Amending the Budget to Utilize \$2 Million From the Coronavirus Aid Special Fund (*No fiscal impact-utilizing CARES Act Funds*)

**Stewardship: We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government**

- [6.9](#) Authorize Submittal of a Clean Water Fund Grant Application to the Minnesota Board of Water and Soil Resources for a Permanent Outlet Structure on McMahon Lake (*No fiscal impact*)
- [6.10](#) Adopt Resolution No. 2020-110; Authorizing Entering Into an Agreement With Access Networks, Inc. to Expand Broadband in Underserved and Unserved Areas of Scott County (*No fiscal impact-utilizing CARES Act Funds*)

**Communication: We will always be clear about what we're doing and why we're doing it**

- [6.11](#) Adopt Resolution No. 2020-116; Establishing a 2020 Early Retirement Incentive Program (2020 - Up to \$369,687)

**(7) STEWARDSHIP: WE WILL WORK PROACTIVELY TO MAKE INVESTMENTS, GUIDED BY RESIDENT INPUT, WHICH WILL TRANSFORM LIVES, COMMUNITIES, AND GOVERNMENT**

- [7.1](#) Adopt Resolution No. 2020-112; Authorizing Entering Into an Agreement With Internet Provider(s) to Bring Affordable Adequate Internet Connectivity to Identified Low Income Housing Units (*No fiscal impact-utilizing CARES Act Funds*)
- [7.2](#) Adopt Resolution No. 2020-117; Approving the Execution of Documents Related to a Residential Mental Health Treatment Facility in the City of Savage and Taking Other Actions in Connection Therewith (*No fiscal impact*)

**(8) COMMITTEE REPORTS AND COMMISSIONER UPDATES**

**(9) COUNTY ADMINISTRATOR UPDATE**

**(10) RECESS FOR ATTORNEY/CLIENT MEETING**

**(11) ADJOURN**

**FOLLOWING THE MEETING THE COUNTY BOARD WILL MEET IN A WORKSHOP SETTING TO RECEIVE INFORMATION ON SUBSURFACE SEWAGE TREATMENT SYSTEMS**

**FOLLOWING THE WORKSHOP, THE COUNTY BOARD WILL PARTICIPATE IN A DIVERSITY STRATEGY WORK SESSION.**

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## **UPCOMING MEETINGS**

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August 18, 2020      9:00 a.m. County Board Meeting  
September 1, 2020    9:00 a.m. County Board Meeting

Lezlie A. Vermillion  
County Administrator  
(952) 496-8100

**MINUTES**  
**BOARD OF COMMISSIONERS**  
**COUNTY OF SCOTT**

**JULY 21, 2020**

- (1) The Board of Commissioners, in and for the County of Scott, Minnesota, met in the Courthouse Board Room in the City of Shakopee, Minnesota, and convened at 9:06 a.m., with the following members present: Commissioner Beer, presiding, Commissioner Weckman Brekke, Commissioner Wolf, and Commissioner Beard. Commissioner Ulrich participated via phone. Chair Beer announced all votes will be by roll call vote.
- (2) County Staff Present:
- A. Lezlie Vermillion, County Administrator
  - B. Ron Hocevar, County Attorney
  - C. Chris Harder, Quality Improvement Manager
  - D. Lisa Freese, Transportation Services Director
  - E. Lisa Brodsky, Public Health Director
  - F. Perry Mulcrone, Business Relationship Director, via phone
  - G. Pam Selvig, Health and Human Services Director, via phone
  - H. Laurie Peck, Tax Specialist
  - I. Debra Brazil, Deputy Clerk to the Board
- (3) Guests Present:
- A. Jim Peterson, Minnesota Renaissance Festival
  - B. Bonnie Bartyzal, Minnesota Renaissance Festival
- (4) Minutes:
- On a motion by Commissioner Beard, seconded by Commissioner Wolf, the Minutes of July 2, 2020 were approved.
- (5) Recognition of Interested Citizens:
- Jim Peterson of the Minnesota Renaissance Festival outlined the mitigation measures, procedures, and protocols in the Draft Preparedness Plan 2020 that has been developed for the opening of the Renaissance Festival in 2020. Mr. Peterson stated he has had several discussions with the State of Minnesota regarding opening and requested a letter or resolution of support from the County Board of Commissioners.
- Mr. Peterson was reminded the Board of Commissioners listen but do not take action during this part of the agenda. He was thanked for working with the State of Minnesota. It was noted the State will be making the decision on the Renaissance Fair opening.
- (6) Consent Agenda:
- A. Commissioner Wolf moved, seconded by Commissioner Weckman Brekke to approve the reappointment of Jean Gramling of Commissioner District 2 to an at-large position on the Personnel Board of Appeals. The motion carried unanimously on a roll call vote.
  - B. Commissioner Wolf moved, seconded by Commissioner Weckman Brekke to approve the Mobile Clinic COVID-19 Testing Plan on a reimbursable basis from the State Emergency Operation Center and Minnesota Department of Health. The motion carried unanimously on a roll call vote.

C. Commissioner Wolf moved, seconded by Commissioner Weckman Brekke to adopt Resolution No. 2020-106; Authorizing Entering Into Agreement No. 1044268 With the State of Minnesota Department of Transportation Designating a Portion of County Highway 8 as a Trunk Highway 282 Detour Route in 2021. A copy of the resolution is available in the office of the County Administrator and is made a part of this record by reference. The motion carried unanimously on a roll call vote.

D. Commissioner Wolf moved, seconded by Commissioner Weckman Brekke to adopt Resolution No. 2020-107; Acknowledging Receipt and Acceptance of Gifts to Scott County. A copy of the resolution is available in the office of the County Administrator and is made a part of this record by reference. The motion carried unanimously on a roll call vote.

E. Commissioner Wolf moved, seconded by Commissioner Weckman Brekke to set a public hearing date of August 18, 2020 at 10:30 a.m. to consider adoption of Scott County Public Health Nuisance Ordinance No. 31. The motion carried unanimously on a roll call vote.

F. Commissioner Wolf moved, seconded by Commissioner Weckman Brekke to set a public hearing date of August 18, 2020 at 10:30 a.m. to consider amendments to Scott County Subsurface Sewage Treatment System (SSTS) Ordinance No. 4. The motion carried unanimously on a roll call vote.

G. Commissioner Wolf moved, seconded by Commissioner Weckman Brekke to set a public hearing date of September 9, 2020 at 7:00 p.m. at the Jackson Town Hall to consider the turnback of Mobile Manor Drive in Jackson Township. The motion carried unanimously on a roll call vote.

H. Commissioner Wolf moved, seconded by Commissioner Weckman Brekke to approve the request to grant a 60-day extension to Crescent Curve LLC (applicant and property owner) to record the final plat of Crescent Curve located in Section 34 of Credit River Township. The motion carried unanimously on a roll call vote.

I. On the recommendation of the County Administrator, Commissioner Wolf moved, seconded by Commissioner Weckman Brekke to approve the payroll processing of personnel actions indicated below and certified by the Employee Relations Director and the Appointing Authority to be in compliance with provisions of Minnesota Statutes 375.56 - 375.71 and the Scott County Merit Personnel System:

1. Separation of employment for Jeffrey Kes, FT Inspector, Community Services Division, effective 07/13/20.
2. Separation of employment for Taylor Hanson, FT Temporary Case Aide-Unclassified, Health and Human Services Division, effective 06/30/20.
3. Separation of employment for Heather Yursi, FT 911 Dispatcher, Sheriff's Office, effective 06/29/20.
4. FT Temporary employment for Himani Joshi, Office Assistant-Unclassified, Community Services Division, effective 07/06/20.
5. FT Temporary employment for Mikaela Brock, Office Assistant-Unclassified, Community Services Division, effective 07/01/20.
6. Intermittent (34% FTE) employment for Abdi Mohamed, Facility Probation Officer-Unclassified, Health and Human Services Division, effective 06/29/20.

The motion carried unanimously on a roll call vote.

J. Commissioner Wolf moved, seconded by Commissioner Weckman Brekke to adopt Resolution No. 2020-108; Authorizing the Submittal of the Coronavirus Aid, Relief, and Economic Security (CARES) Act Grant Application for \$108,479.69 to the Minnesota Secretary of State in Order to Receive CARES Act Funding to Prevent, Prepare for, and Respond to the Coronavirus Pandemic for the 2020 Elections Cycle. A copy of the resolution is available in the office of the County Administrator and is made a part of this record by reference. The motion carried unanimously on a roll call vote.

K. Commissioner Wolf moved, seconded by Commissioner Weckman Brekke to adopt Resolution No. 2020-109; Requesting Approval of the Basic Sale Price, Approval of a Private Land Sale to Adjacent Landowners, and Establish the Date of the Private Sale of a Tax Forfeited Parcel of Property. A copy of the resolution is available in the office of the County Administrator and is made a part of this record by reference. The motion carried unanimously on a roll call vote.

L. Commissioner Wolf moved, seconded by Commissioner Weckman Brekke to approve Amendment No. 2 to the Contract with Goosebusters, Inc. in the amount of \$122,000 to increase capacity for COVID-19 testing. The motion carried unanimously on a roll call vote.

M. Commissioner Wolf moved, seconded by Commissioner Weckman Brekke to approve the record of disbursements and approve the claims made to Scott County June 1 through June 20, 2020 in the amount of \$105,447,332.85. A copy of the record of disbursements is available in the office of the County Administrator and is made a part of this record by reference. The motion carried unanimously on a roll call vote.

(7) Stewardship: We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government:

Transportation Services Director Lisa Freese and Quality Improvement Manager Chris Harder presented an overview of the Coronavirus Aid Relief and Economic Security (CARES) Act. On July 7, 2020 the Scott County Board of Commissioners discussed in a workshop their priorities for dissemination of the \$17,719,998 the County will receive. It was noted the dollars are flexible depending on identified needs once the programs are identified and moving forward. The major investment areas discussed at the workshop are as follows:

- Business Support – target funding identified at \$5.5M; and
- Housing Security – target funding identified at \$2.0M; and
- Food Security/Nonprofits/Schools – target funding at \$2.2M; and
- Rural Broadband – target funding at \$1.0M.

The above disseminations will leave approximately \$7.0M. A minimum of \$5.4M is needed to cover County salaries and costs eligible within the CARES Act. The additional \$1.6M will be held on reserve and could be directed to one of the major investment areas if needed.

Considerable discussion followed regarding the programs and criteria for eligibility in each major investment area. It was stressed that eligible expenses must be COVID-19 related and funds cannot be used to buy down future levies or budgets.

Confirmation was given that the major investment areas and dollar amounts discussed is the County Board's direction for staff.

The Commissioners thanked staff for their diligent and thoughtful work on a very complex funding program.

(8) Committee Reports and Commissioner Updates:

- A. The Commissioners all attended the County Board workshop on July 7.
- B. Commissioner Weckman Brekke attended the Belle Plaine Town Board meeting on July 7.
- C. Commissioner Weckman Brekke attended the Blakeley Town Board meeting on July 7.
- D. Commissioner Weckman Brekke attended the Jackson Town Board meeting on July 7.
- E. Commissioner Weckman Brekke participated in the Scott County Historical Society teleconference meeting on July 8.
- F. Commissioners Weckman Brekke and Ulrich participated in the Families and Individuals Sharing Hope (FISH) teleconference meeting on July 9.
- G. Commissioner Weckman Brekke participated in the AFSCME Labor Management Committee teleconference meeting on July 14.
- H. Commissioner Weckman Brekke met with County Administrator Lezlie Vermillion on July 14.
- I. Commissioner Weckman Brekke attended the Prior Lake-Spring Lake Township Orderly Annexation Board meeting on July 14.

- J. Commissioner Weckman Brekke spoke with the Shakopee Chamber of Commerce President on July 15.
- K. Commissioner Weckman Brekke met with the Scott County Health and Human Services Director on July 21.
- L. Commissioner Beard reported working with the Union Pacific Foundation for a \$10,000 donation to the Scott-Carver-Dakota Community Action Program Food Shelf.
- M. Commissioner Beard participated in the Minnesota Transportation Alliance teleconference meeting on July 9.
- N. Commissioners Beard and Ulrich participated in the Scott County Association for Leadership and Efficiency (SCALE) Service Delivery Committee teleconference meeting on July 20.
- O. Commissioner Wolf attended the New Market Town Board meeting on July 7.
- P. Commissioners Wolf and Beer participated in the Metropolitan Emergency Services Board teleconference meeting on July 8.
- Q. Commissioner Wolf participated in the I35W Solutions Alliance teleconference meeting on July 9.
- R. Commissioner Wolf participated in the Elko New Market City Council teleconference meeting on July 9.
- S. Commissioner Wolf participated in the Spring Lake Town Board teleconference meeting on July 9.
- T. Commissioner Wolf toured the newly constructed maintenance facility at Cleary Lake Regional Park on July 10.
- U. Commissioner Wolf had conversations with the New Market, Spring Lake, Credit River, and Cedar Lake Township officials regarding CARES Act funding and broadband.
- V. Commissioner Wolf participated in the Scott County Planning Advisory Commission teleconference meeting on July 13.
- W. Commissioner Wolf met with Spring Lake Town Board officials on July 15.
- X. Commissioner Wolf attended the Prior Lake City Council meeting on July 20.
- Y. Commissioner Ulrich participated in the Minnesota Inter-County Association Board of Directors teleconference meeting on July 8.
- Z. Commissioners Ulrich and Beer participated in the Scott County-Three Rivers Parks Partnership Policy Committee teleconference meeting on July 13.
- AA. Commissioner Ulrich participated in the Suburban Transit Association teleconference meeting on July 13.
- AB. Commissioner Ulrich participated in the Greater MSP teleconference meeting on July 17.
- AC. Commissioner Beer participated in a White House conference call on July 8.
- AD. Commissioner Beer participated in the FISH Program Committee teleconference meeting on July 14.
- AE. Commissioner Beer attended the Prior Lake-Spring Lake Watershed District Board of Managers meeting on July 14.
- AF. The Commissioners reported receiving many phone calls and emails regarding wearing masks, the Renaissance Festival, Extension, COVID-19 related issues, and potential budget cuts.

(9) County Administrator Update:

- The Scott County Libraries opened on July 20 under a hybrid model.
- The Household Hazardous Waste Facility has increased its hours by five hours and is evaluating opening an additional day. Appointment times have been decreased to five minutes to allow for more appointments.
- Well testing will be opening. Further information will be available on the County's website.
- A fifth window has opened in Customer Service.
- A County Board workshop is scheduled for Tuesday, July 28, at 9:00 a.m.
- The County Board workshop scheduled for 1:00 p.m. – 4:00 p.m. on August 4 will begin immediately following the County Board meeting.
- Public Health Director Lisa Brodsky provided an update on COVID-19 facts and statistics. Information was given to dispel some myths regarding COVID-19.
- In partnership with the Minnesota Department of Health, the Shakopee Mdewakanton Sioux Community, and Canterbury Park, Scott County COVID-19 community testing begins Friday, July 24, 2:30 p.m. – 7:30 p.m. at Canterbury Park.

On a motion by Commissioner Wolf, seconded by Commissioner Beard, the meeting adjourned at 11:45 a.m.

David Beer  
Chair

Lezlie A. Vermillion  
County Administrator  
Clerk of the Board

Debra K. Brazil  
Deputy Clerk to the Board

**AGENDA # 5.1**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: AUGUST 4, 2020**

|                                |   |                        |   |
|--------------------------------|---|------------------------|---|
| <b>ORIGINATING DIVISION:</b>   | Office of Management & Budget<br>Budget & Strategic Planning  | <b>CONSENT AGENDA:</b> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No               |
| <b>ORIGINATING DEPARTMENT:</b> |   |                        |   |
| <b>PRESENTER:</b>              | Danny Lenz<br>Chief Financial Officer   | <b>ATTACHMENTS:</b>    | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>PROJECT:</b>                |   | <b>TIME REQUESTED:</b> | 15 Minutes  |
| <b>ACTION REQUESTED:</b>       | Adopt Resolution No. 2020-115; Accepting Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding Allocated by the State in the Amount of \$17,719,998; Establishing a Special Revenue Fund for the Allocation; and Authorizing the Transfer of Eligible Costs Already Incurred and to be Incurred to Said Fund |                        |   |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review  | <b>FISCAL:</b>         | <input type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

**ORGANIZATIONAL VALUES:**

- ☐ **Customer Service:** We will deliver government services in a respectful, responsive, and solution-oriented manner
- ☐ **Communication:** We will always be clear about what we're doing and why we're doing it
- ☐ **Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- ☒ **Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- ☐ **Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- ☐ **Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- ☐ **Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

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| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>   |
|  |  |
| <b>Approved:</b>                           | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b> |
| <b>Denied:</b>                             |  |
| <b>Tabled:</b>                             |  |
| <b>Other:</b>                              |  |
| <b>Deputy Clerk :</b>                      |  |
| <b>Date:</b>                               |  |



## Background/Justification:

The purpose of this item is to adopt Resolution No. 2020-115; Accepting Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding Allocated by the State in the Amount of \$17,719,998; Establishing a Special Revenue Fund for the Allocation; and Authorizing the Transfer of Eligible Costs Already Incurred and to be Incurred to Said Fund.

Since early 2020, Scott County has been impacted by an outbreak of a respiratory disease caused by a novel coronavirus that has been detected across the world, including in Minnesota.

- On March 11, the World Health Organization declared COVID-19 as a pandemic.
- On March 13, the President of the United States declared a national emergency for the COVID-19 pandemic.
- On March 13, the Governor of Minnesota declared a peacetime emergency due to the COVID-19 pandemic.
- On March 17, 2020, the Scott County Board of Commissioners declared a local state of emergency due to the COVID-19 pandemic.

On March 27, 2020, the Federal Government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provides over \$2 trillion in federal economic relief to protect the American people from the public health and economic impacts of COVID-19. Part of those funds were sent to states for local allocation and disbursement.

Minnesota Governor Tim Walz, through executive authority and a legislative review committee, allocated and dispersed a portion of Minnesota's CARES Act funds as Local Government Assistance based on population targets to counties, cities, and townships throughout the state. Scott County has received \$17,719,998.

The funds may be spent by the local agencies to offset public health and economic impacts of COVID-19. In order to be eligible for the funding expenditures must pass a three-step test:

1. Expenses must be necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)
2. They must be costs that were not accounted for in the budget most recently approved as of March 27, 2020
3. Performance or delivery must occur during the covered period, but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred.) The County deadline is 12/1/2020.

To assist in understanding eligible expenses, the United States Department of the Treasury published two documents: *Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated June 30, 2020* ("Guidance"); and *Coronavirus Relief Fund Frequently Asked Questions Updated as of July 8, 2020* ("Frequently Asked Questions").

All CARES Act Funds are subject to State and Federal audit for use of the funds. This means that any subrecipients of CARES Funds from the County must also meet audit requirements.

The Scott County Board of Commissioners met in a workshop on July 7, 2020 to discuss and reiterated at their County Board meeting on July 21, 2020, their goals for allocation of the County's CARES funds. The County Board indicated that local business support was their highest priority with housing security, food security, nonprofit support, school support, and rural broadband also being priorities. The goals behind this focus are:

- Keeping employees working or getting residents working again;
- Filling in gaps that unemployment insurance (+ stimulus), Payroll Protection Program (PPP) and other programs didn't serve;
- Helping businesses, organizations, and residents most harmed by the pandemic;

- Providing support to business that can sustain and grow the economy;
- Supporting operational changes to keep businesses operating during the pandemic;
- Providing food support for families at risk in the short term;
- Targeting rental and mortgage programs to those in need not covered by State;
- Supporting distance learning; and
- Supporting childcare for essential employees.

While these funds have broad allowable uses, they also come with specific and vague guidance as to how they can be utilized with regards to county costs, and include the potential for targeted federal audits on the use of these funds. In order to provide clear documentation on the expenditure of these funds the Budget & Strategic Planning Department and the Accounting Department are proposing that a separate fund be established to capture all costs associated with the County's CARES Act allocation, and have the Board of County Commissioners specifically approve the transfer of costs in order to document the justification and to identify the authorizing language within the U.S. Department of Treasury's guidance for the expenditure of these funds.

The allocation of the funds within the CARES Act Special Revenue Fund will be initially distributed as follows:

\$5.5 Million in Grants to Business, including in-home child care, sole proprietors, farmers/agricultural business, non-profits.

- Authorized under "Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated June 30, 2020" - "Nonexclusive examples of eligible expenditures" – Number 5 "Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as: Expenditures related to the provisions of grants to small businesses to reimburse the costs of business interruption caused by the required closures"
- Further authorized under "Coronavirus Relief Fund Frequently Asked Questions Updated as of July 8, 2020"
  - o Page 5: ***"The Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. What is meant by a "small business," and is the Guidance intended to refer only to expenditures to cover administrative expenses of such a grant program?"***

Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance.

- o Page 5: ***"The Guidance provides that expenses associated with the provision of economic support in connection with the public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, would constitute eligible expenditures of Fund payments. Would such expenditures be eligible in the absence of a stay-at-home order?"***

Fund payments may be used for economic support in the absence of a stay-at-home order if such expenditures are determined by the government to be necessary. This may include, for example, a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency."

\$2.0 Million for Housing security including Rental and Mortgage assistance and hotel vouchers.

- Authorized under "Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated June 30, 2020" - "Nonexclusive examples of eligible expenditures" – Number 4 "Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as: Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions."

- Further authorized under “Coronavirus Relief Fund Frequently Asked Questions Updated as of July 8, 2020”

- Page 4: ***“Would providing a consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense?”***

Yes, assuming that the recipient considers the grants to be a necessary expense incurred due to the COVID-19 public health emergency and the grants meet the other requirements for the use of Fund payments under section 601(d) of the Social Security Act outlined in the Guidance. As a general matter, providing assistance to recipients to enable them to meet property tax requirements would not be an eligible use of funds, but exceptions may be made in the case of assistance designed to prevent foreclosures.”

- Page 5: ***“May recipients use Fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency?”***

Yes, if a government determines such assistance to be a necessary expenditure. Such assistance could include, for example, a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs. Such assistance should be structured in a manner to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.”

- Page 8: ***“May Fund payments be provided to non-profits for distribution to individuals in need of financial assistance, such as rent relief?”***

Yes, non-profits may be used to distribute assistance. Regardless of how the assistance is structured, the financial assistance provided would have to be related to COVID-19.”

\$2.2 Million to Food shelf and distribution non-profits for PPE, food, refrigeration equipment and other needed supplies and to schools to assist in costs related to providing daycare for essential workers and distance learning not covered by other funds.

- Authorized under “Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated June 30, 2020” - “Nonexclusive examples of eligible expenditures” – Number 4 “Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as: Expenses to facilitate distance learning, including technology improvements, in connection with school closings to enable complains with COVID-19 precautions”
- Further authorized under “Coronavirus Relief Fund Frequently Asked Questions Updated as of July 8, 2020”

- Page 2: ***“May a unit of local government receiving a Fund payment transfer funds to another unit of government?”***

Yes. For example, a county may transfer funds to a city, town, or school district within the county and a county or city may transfer funds to its State, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, a transfer from a county to a constituent city would not be permissible if the funds were intended to be used simply to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.”

- Page 8: ***May Fund payments be provided to non-profits for distribution to individuals in need of financial assistance, such as rent relief?”***

Yes, non-profits may be used to distribute assistance. Regardless of how the assistance is structured, the financial assistance provided would have to be related to COVID-19.

\$1.0 Million for Rural Broadband Access for school distancing learning access and to support continued teleworking guidance. Based on the usage of the existing County fiber backbone, these projects would be completed prior to Dec. 1<sup>st</sup>, and accessible for use by residents during the pandemic.

- Authorized under “Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated June 30, 2020” - “Nonexclusive examples of eligible expenditures” – Number 4 “Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as: Expenses to facilitate distance learning, including technology improvements, in connection with school closings to enable compliance with COVID-19 precautions”
- Further authorized under “Coronavirus Relief Fund Frequently Asked Questions Updated as of July 8, 2020”
  - o Page 7: *“May recipients use Fund payments to expand rural broadband capacity to assist with distance learning and telework?”*

Such expenditures would only be permissible if they are necessary for the public health emergency. The cost of projects that would not be expected to increase capacity to a significant extent until the need for distance learning and telework have passed due to this public health emergency would not be necessary due to the public health emergency and thus would not be eligible uses of Fund payments.”

\$7.0 Million for costs incurred by the County for:

- Direct response and second order impacts of COVID-19. This includes staff who are directly working to prevent the spread of the disease and assist those who have contracted it. Primary examples include public health staff participating in contact tracing, providing essential services, assisting in testing functions, providing guidance to residents on preventative practices and working with businesses on maintaining sanitary and safe environments.
  - o Authorized under “Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated June 30, 2020” - “Nonexclusive examples of eligible expenditures” – Number 2 “Public Health expenses such as:
    - Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
    - Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
    - Expenses for disinfection of public areas and other facilities, *e.g.*, nursing homes, in response to the COVID-19 public health emergency.
    - Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
    - Expenses for public safety measures undertaken in response to COVID-19.
    - Expenses for quarantining individuals.
  - o Authorized under “Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated June 30, 2020” - “Nonexclusive examples of eligible expenditures” – Number 4 “Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as: COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions”
- Cover payroll expenses for employees that are “substantially dedicated” to mitigating or responding to the COVID-19 public health emergency. Treasury Guidance makes clear that public safety, public health and similar employees can be presumed to be “substantially dedicated” to responding to the emergency, and that their entire salary can be considered eligible, not just the portion dedicated to responding to the emergency. It also states that time responding does not need to be tracked to justify utilizing CARES Act funding for these positions. The County has defined public safety positions as “substantially dedicated” to mitigating or responding to the COVID-19 public health emergency to

include Sheriff Emergency Management, Dispatch, and Jail staff and Sheriff Operations and Support Services licensed deputies.

- Authorized under “Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated June 30, 2020” - “Nonexclusive examples of eligible expenditures” – Number 3 “Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.”
- Further authorized under “Coronavirus Relief Fund Frequently Asked Questions Updated as of July 8, 2020”
  - Page 1: ***“The Guidance says that funding can be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. How does a government determine whether payroll expenses for a given employee satisfy the “substantially dedicated” condition?”***

The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.”

- Page 9: ***“The guidance provides that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. May Fund payments be used to cover such an employee’s entire payroll cost or just the portion of time spent on mitigating or responding to the COVID-19 public health emergency?”***

As a matter of administrative convenience, the entire payroll cost of an employee whose time is substantially dedicated to mitigating or responding to the COVID-19 public health emergency is eligible, provided that such payroll costs are incurred by December 30, 2020. An employer may also track time spent by employees related to COVID-19 and apply Fund payments on that basis but would need to do so consistently within the relevant agency or department.

- Cover the costs of expenses that were unaccounted for in the County budget or were used for a “substantially different use” than approved for in the budget. Examples include employees working in the Emergency Operations Center, sanitizing and cleaning beyond typical practices, and redeploying staff to different areas to allow for compliance with COVID-19 public health precautions.
  - Authorized under “Coronavirus Relief Fund Frequently Asked Questions Updated as of July 8, 2020”
    - Page 1: ***“The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a “substantially different use” for purposes of the Fund eligibility?”***

Costs incurred for a “substantially different use” include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through

providing information technology support that is not part of the staff or faculty's ordinary responsibilities.

- Cover the costs of teleworking improvement for employees. The primary focus of these funds is to provide mobile capabilities for employees that do not currently have it, and to implement enhance or new software applications that allow for the County to meet COVID-19 public health precautions, such as scheduling software and licenses to allow for remote meetings with clients.
  - o Authorized under "Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated June 30, 2020" - "Nonexclusive examples of eligible expenditures" – Number 4 "Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as: Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions."

These allocations are based upon the Board's prioritization and direction. It is possible that actual demand for the programs will not meet expectations or that new State and Federal programs may provide some relief within the targeted areas, removing the unmet need qualification. The attached resolution outlines the initial budget allocation for these funds, which can be adjusted through Budget Amendments to the Fund. However, in order to remain flexible in this rapidly changing environment, staff is also requesting that the County Administrator be authorized to reallocate funds between the identified programs based on actual demand. The resolution also authorizes the Chief Financial Officer to transfer and reimburse unidentified or excess County costs that meet the requirements of the CARES Act Fund legislation if funds allocated to efforts outside of the County's operations have not been fully utilized by December 1<sup>st</sup>, in order to limit the need to return funds. County staff has discussed this approach with Auditors from the Office of the State Auditor, and while they cannot provide clear guidance on the appropriateness of the use of the funds, believe that the accounting structure is a good approach to documenting and tracking these expenses.

#### Fiscal Impact:

The County has incurred substantial costs in the 2020 budget in responding to the COVID-19 public health emergency. This includes over \$1,000,000 in costs directly coded to response activity, over \$140,000 in the purchase of supplies and equipment for PPE, sanitizing and teleworking. A portion of the funds will be used to reimburse the County for these costs. In addition, the County will utilize the funds to offset the costs of staff who have been substantially dedicated to the COVID-19 response or are being utilized in a substantially different manner than originally anticipated. These reimbursements will provide the County additional flexibility by allowing the County to maintain fund balance, instead of using it for these unbudgeted costs, and easing the reductions necessary to balance the budget for 2021.

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                |
|----------------------------------|----------------|
| <b>Date:</b>                     | August 4, 2020 |
| <b>Resolution No.:</b>           | 2020-115       |
| <b>Motion by Commissioner:</b>   |                |
| <b>Seconded by Commissioner:</b> |                |

RESOLUTION NO. 2020-115 ACCEPTING CORONARIVUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT FUNDING ALLOCATED BY THE STATE IN THE AMOUNT OF \$17,719,998; ESTABLISHING THE CARES ACT SPECIAL REVENUE FUND FOR THE ALLOCATION; AND AUTHORIZING THE TRANSFER OF ELIGIBLE COSTS ALREADY INCURRED AND TO BE INCURRED TO SAID FUND

WHEREAS, on July 29<sup>th</sup> the Scott County was provided an allocation of \$17,719,998 from the State of Minnesota from the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act; and

WHEREAS, the Federal CARES Act funds are subject to State and Federal spending requirements and subject to State and Federal Audit; and

WHEREAS, the Scott County Board of Commissioners has been presented and has approved a plan for the use of the County's allocation; and

WHEREAS, the Scott County Board of Commissioners desire the funds to be accounted for in a manner that will demonstrate full compliance with Federal requirements and guidance; and

WHEREAS, the United States Department of the Treasury's "Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated June 30, 2020" (The Guidance), attached and hereby incorporated as Attachment A, provides information on eligible costs; and

WHEREAS, the United States Department of the Treasury's "Coronavirus Relief Fund Frequently Asked Questions Updated As of July 8, 2020" (The Frequently Asked Questions), attached and hereby incorporated as Attachment B, provides additional information on eligible costs; and

WHEREAS, The Guidance states "Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency" are included in eligible expenditures; and

WHEREAS, The Frequently Asked Questions states "...as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume the payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise; and

WHEREAS, the chief executive of Scott County, County Administrator Lezlie Vermillion, does not indicate otherwise; and

WHEREAS, The Frequently Asked Questions states "As a matter of administrative convenience, the entire payroll cost of an employee whose time is substantially dedicated to mitigating or responding to the COVID-19 public health emergency is eligible.." in response to the question in The Frequently Asked Questions "...May Fund payments be used to cover such an employee's entire payroll cost or just the portion of time spent on mitigating or responding to the COVID-19 public health emergency?"; and

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                |
|----------------------------------|----------------|
| <b>Date:</b>                     | August 4, 2020 |
| <b>Resolution No.:</b>           | 2020-115       |
| <b>Motion by Commissioner:</b>   |                |
| <b>Seconded by Commissioner:</b> |                |

WHEREAS, the County Board has determined support for businesses and non-profits is a necessary and reasonable response to the COVID-19 Pandemic, and therefore eligible for use of CARES ACT Funds; and

WHEREAS, the County Board has determined support for housing security, including rental and mortgage assistance and hotel vouchers is a necessary and reasonable response to the COVID-19 Pandemic, and therefore eligible for use of CARES ACT Funds; and

WHEREAS, the County Board has determined support for non-profits providing food distribution and schools providing for distance learning and daycare for essential workers is a necessary and reasonable response to the COVID-19 Pandemic, and therefore eligible for use of CARES ACT Funds; and

WHEREAS, the County Board has determined expanding rural broadband access for distance learning and teleworking is a necessary and reasonable response to the COVID-19 Pandemic, and therefore eligible for use of CARES ACT Funds; and

WHEREAS, the County Board has determined the County's direct and indirect costs of COVID-19, payroll expenses for employees that are "substantially dedicated" to mitigating or responding to the COVID-19 public health emergency, cost of expenses that were unaccounted for in the County budget, or were used for a "substantially different use" than approved for in the budget, and the costs of teleworking improvements for employees are a necessary and reasonable response to the COVID-19 Pandemic, and therefore eligible for use of CARES Act Funds; and

NOW, THEREFORE, BE IT RESOLVED, That the Scott County Board of Commissioners hereby authorizes the Chief Financial Officer to establish a Special Revenue Fund for the tracking of CARES Act Fund expenditures.

BE IT FURTHER RESOLVED, That the Scott County Board of Commissioners authorizes \$5,500,000 dollars to be allocated to provide grants to businesses consistent with The Guidance and The Frequently Asked Questions.

BE IT FURTHER RESOLVED, That the Scott County Board of Commissioners authorizes a total of \$2,000,000 dollars to be allocated for rental assistance, mortgage assistance and hotel vouchers consistent with The Guidance and The Frequently Asked Questions.

BE IT FURTHER RESOLVED, That the Scott County Board of Commissioners authorizes a total of \$2,200,000 to be allocated to support schools with essential worker daycare and distance learning expenses and to support non-profits with food distribution needs consistent with The Guidance and The Frequently Asked Questions.

BE IT FURTHER RESOLVED, That the Scott County Board of Commissioners authorizes \$1,000,000 to be allocated to support Rural Broadband access for distance learning for students and to support continued telework and telemedicine needs consistent with The Guidance and The Frequently Asked Questions.



**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                |
|----------------------------------|----------------|
| <b>Date:</b>                     | August 4, 2020 |
| <b>Resolution No.:</b>           | 2020-115       |
| <b>Motion by Commissioner:</b>   |                |
| <b>Seconded by Commissioner:</b> |                |

BE IT FURTHER RESOLVED, That the Scott County Board of Commissioner authorizes the County Administrator to reallocate funds between the identified program areas based upon actual demand realized during the administration of the programs.

BE IT FURTHER RESOLVED, That the Scott County Board of Commissioners authorizes the remainder of the funds to be allocated to cover Scott County Government's direct and indirect costs of COVID-19, payroll expenses for employees that are "substantially dedicated" to mitigating or responding to the COVID-19 public health emergency, cost of expenses that were unaccounted for in the County budget, or were used for a "substantially different use" than approved for in the budget, and the costs of teleworking improvements for employees as is consistent with The Guidance and The Frequently Asked Questions.

BE IT FINALLY RESOLVED, That the Scott County Board of Commissioners authorizes the Chief Financial Officer to transfer all costs from the County General, Road & Bridge, Capital Improvement, and Health Insurance funds that have or will be incurred, up to the full amount of the allocation consistent with The Guidance and The Frequently Asked Questions, to the CARES Act Special Revenue Fund.

| <b>COMMISSIONERS</b> | <b>VOTE</b>                  |                             |                                 |                                  |
|----------------------|------------------------------|-----------------------------|---------------------------------|----------------------------------|
| Weckman Brekke       | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Wolf                 | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Beard                | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Beer                 | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Ulrich               | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |

**State of Minnesota)**

**County of Scott    )**

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 4<sup>th</sup> day of August, 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 4<sup>th</sup> day of August, 2020.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

County Administrator

Administrator's Designee

## Attachment A

### **Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments Updated June 30, 2020<sup>1</sup>**

The purpose of this document is to provide guidance to recipients of the funding available under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). The CARES Act established the Coronavirus Relief Fund (the “Fund”) and appropriated \$150 billion to the Fund. Under the CARES Act, the Fund is to be used to make payments for specified uses to States and certain local governments; the District of Columbia and U.S. Territories (consisting of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands); and Tribal governments.

The CARES Act provides that payments from the Fund may only be used to cover costs that—

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.<sup>2</sup>

The guidance that follows sets forth the Department of the Treasury’s interpretation of these limitations on the permissible use of Fund payments.

#### ***Necessary expenditures incurred due to the public health emergency***

The requirement that expenditures be incurred “due to” the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

The statute also specifies that expenditures using Fund payments must be “necessary.” The Department of the Treasury understands this term broadly to mean that the expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending Fund payments.

#### ***Costs not accounted for in the budget most recently approved as of March 27, 2020***

The CARES Act also requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either (a) the

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<sup>1</sup> This version updates the guidance provided under “Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020”.

<sup>2</sup> See Section 601(d) of the Social Security Act, as added by section 5001 of the CARES Act.

cost cannot lawfully be funded using a line item, allotment, or allocation within that budget or (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

The “most recently approved” budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

***Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020***

Finally, the CARES Act provides that payments from the Fund may only be used to cover costs that were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020 (the “covered period”). Putting this requirement together with the other provisions discussed above, section 601(d) may be summarized as providing that a State, local, or tribal government may use payments from the Fund only to cover previously unbudgeted costs of necessary expenditures incurred due to the COVID-19 public health emergency during the covered period.

Initial guidance released on April 22, 2020, provided that the cost of an expenditure is incurred when the recipient has expended funds to cover the cost. Upon further consideration and informed by an understanding of State, local, and tribal government practices, Treasury is clarifying that for a cost to be considered to have been incurred, performance or delivery must occur during the covered period but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred). For instance, in the case of a lease of equipment or other property, irrespective of when payment occurs, the cost of a lease payment shall be considered to have been incurred for the period of the lease that is within the covered period, but not otherwise.

Furthermore, in all cases it must be necessary that performance or delivery take place during the covered period. Thus the cost of a good or service received during the covered period will not be considered eligible under section 601(d) if there is no need for receipt until after the covered period has expired.

Goods delivered in the covered period need not be used during the covered period in all cases. For example, the cost of a good that must be delivered in December in order to be available for use in January could be covered using payments from the Fund. Additionally, the cost of goods purchased in bulk and delivered during the covered period may be covered using payments from the Fund if a portion of the goods is ordered for use in the covered period, the bulk purchase is consistent with the recipient’s usual procurement policies and practices, and it is impractical to track and record when the items were used. A recipient may use payments from the Fund to purchase a durable good that is to be used during the current period and in subsequent periods if the acquisition in the covered period was necessary due to the public health emergency.

Given that it is not always possible to estimate with precision when a good or service will be needed, the touchstone in assessing the determination of need for a good or service during the covered period will be reasonableness at the time delivery or performance was sought, e.g., the time of entry into a procurement contract specifying a time for delivery. Similarly, in recognition of the likelihood of supply chain disruptions and increased demand for certain goods and services during the COVID-19 public health emergency, if a recipient enters into a contract requiring the delivery of goods or performance of services by December 30, 2020, the failure of a vendor to complete delivery or services by December 30, 2020, will not affect the ability of the recipient to use payments from the Fund to cover the cost of such goods or services if the delay is due to circumstances beyond the recipient’s control.

This guidance applies in a like manner to costs of subrecipients. Thus, a grant or loan, for example, provided by a recipient using payments from the Fund must be used by the subrecipient only to purchase (or reimburse a purchase of) goods or services for which receipt both is needed within the covered period and occurs within the covered period. The direct recipient of payments from the Fund is ultimately responsible for compliance with this limitation on use of payments from the Fund.

#### *Nonexclusive examples of eligible expenditures*

Eligible expenditures include, but are not limited to, payment for:

1. Medical expenses such as:
  - COVID-19-related expenses of public hospitals, clinics, and similar facilities.
  - Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
  - Costs of providing COVID-19 testing, including serological testing.
  - Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
  - Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
2. Public health expenses such as:
  - Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
  - Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
  - Expenses for disinfection of public areas and other facilities, *e.g.*, nursing homes, in response to the COVID-19 public health emergency.
  - Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
  - Expenses for public safety measures undertaken in response to COVID-19.
  - Expenses for quarantining individuals.
3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:
  - Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
  - Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
  - Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.

- Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
  - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
  - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
    - Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
    - Expenditures related to a State, territorial, local, or Tribal government payroll support program.
    - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
  6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

*Nonexclusive examples of ineligible expenditures<sup>3</sup>*

The following is a list of examples of costs that would *not* be eligible expenditures of payments from the Fund.

1. Expenses for the State share of Medicaid.<sup>4</sup>
2. Damages covered by insurance.
3. Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
5. Reimbursement to donors for donated items or services.
6. Workforce bonuses other than hazard pay or overtime.
7. Severance pay.
8. Legal settlements.

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<sup>3</sup> In addition, pursuant to section 5001(b) of the CARES Act, payments from the Fund may not be expended for an elective abortion or on research in which a human embryo is destroyed, discarded, or knowingly subjected to risk of injury or death. The prohibition on payment for abortions does not apply to an abortion if the pregnancy is the result of an act of rape or incest; or in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed. Furthermore, no government which receives payments from the Fund may discriminate against a health care entity on the basis that the entity does not provide, pay for, provide coverage of, or refer for abortions.

<sup>4</sup> See 42 C.F.R. § 433.51 and 45 C.F.R. § 75.306.

Attachment B  
**Coronavirus Relief Fund  
Frequently Asked Questions  
Updated as of July 8, 2020**

The following answers to frequently asked questions supplement Treasury's Coronavirus Relief Fund ("Fund") Guidance for State, Territorial, Local, and Tribal Governments, dated April 22, 2020, ("Guidance").<sup>1</sup> Amounts paid from the Fund are subject to the restrictions outlined in the Guidance and set forth in section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act").

**Eligible Expenditures**

***Are governments required to submit proposed expenditures to Treasury for approval?***

No. Governments are responsible for making determinations as to what expenditures are necessary due to the public health emergency with respect to COVID-19 and do not need to submit any proposed expenditures to Treasury.

***The Guidance says that funding can be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. How does a government determine whether payroll expenses for a given employee satisfy the "substantially dedicated" condition?***

The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

***The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a "substantially different use" for purposes of the Fund eligibility?***

Costs incurred for a "substantially different use" include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty's ordinary responsibilities.

Note that a public function does not become a "substantially different use" merely because it is provided from a different location or through a different manner. For example, although developing online instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.

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<sup>1</sup> The Guidance is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.



***May a State receiving a payment transfer funds to a local government?***

Yes, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act. Such funds would be subject to recoupment by the Treasury Department if they have not been used in a manner consistent with section 601(d) of the Social Security Act.

***May a unit of local government receiving a Fund payment transfer funds to another unit of government?***

Yes. For example, a county may transfer funds to a city, town, or school district within the county and a county or city may transfer funds to its State, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, a transfer from a county to a constituent city would not be permissible if the funds were intended to be used simply to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.

***Is a Fund payment recipient required to transfer funds to a smaller, constituent unit of government within its borders?***

No. For example, a county recipient is not required to transfer funds to smaller cities within the county's borders.

***Are recipients required to use other federal funds or seek reimbursement under other federal programs before using Fund payments to satisfy eligible expenses?***

No. Recipients may use Fund payments for any expenses eligible under section 601(d) of the Social Security Act outlined in the Guidance. Fund payments are not required to be used as the source of funding of last resort. However, as noted below, recipients may not use payments from the Fund to cover expenditures for which they will receive reimbursement.

***Are there prohibitions on combining a transaction supported with Fund payments with other CARES Act funding or COVID-19 relief Federal funding?***

Recipients will need to consider the applicable restrictions and limitations of such other sources of funding. In addition, expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds, are not eligible uses of Fund payments.

***Are States permitted to use Fund payments to support state unemployment insurance funds generally?***

To the extent that the costs incurred by a state unemployment insurance fund are incurred due to the COVID-19 public health emergency, a State may use Fund payments to make payments to its respective state unemployment insurance fund, separate and apart from such State's obligation to the unemployment insurance fund as an employer. This will permit States to use Fund payments to prevent expenses related to the public health emergency from causing their state unemployment insurance funds to become insolvent.

***Are recipients permitted to use Fund payments to pay for unemployment insurance costs incurred by the recipient as an employer?***

Yes, Fund payments may be used for unemployment insurance costs incurred by the recipient as an employer (for example, as a reimbursing employer) related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.

***The Guidance states that the Fund may support a “broad range of uses” including payroll expenses for several classes of employees whose services are “substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” What are some examples of types of covered employees?***

The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020.

***In some cases, first responders and critical health care workers that contract COVID-19 are eligible for workers’ compensation coverage. Is the cost of this expanded workers compensation coverage eligible?***

Increased workers compensation cost to the government due to the COVID-19 public health emergency incurred during the period beginning March 1, 2020, and ending December 30, 2020, is an eligible expense.

***If a recipient would have decommissioned equipment or not renewed a lease on particular office space or equipment but decides to continue to use the equipment or to renew the lease in order to respond to the public health emergency, are the costs associated with continuing to operate the equipment or the ongoing lease payments eligible expenses?***

Yes. To the extent the expenses were previously unbudgeted and are otherwise consistent with section 601(d) of the Social Security Act outlined in the Guidance, such expenses would be eligible.

***May recipients provide stipends to employees for eligible expenses (for example, a stipend to employees to improve telework capabilities) rather than require employees to incur the eligible cost and submit for reimbursement?***

Expenditures paid for with payments from the Fund must be limited to those that are necessary due to the public health emergency. As such, unless the government were to determine that providing assistance in the form of a stipend is an administrative necessity, the government should provide such assistance on a reimbursement basis to ensure as much as possible that funds are used to cover only eligible expenses.



***May Fund payments be used for COVID-19 public health emergency recovery planning?***

Yes. Expenses associated with conducting a recovery planning project or operating a recovery coordination office would be eligible, if the expenses otherwise meet the criteria set forth in section 601(d) of the Social Security Act outlined in the Guidance.

***Are expenses associated with contact tracing eligible?***

Yes, expenses associated with contract tracing are eligible.

***To what extent may a government use Fund payments to support the operations of private hospitals?***

Governments may use Fund payments to support public or private hospitals to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency, but the form such assistance would take may differ. In particular, financial assistance to private hospitals could take the form of a grant or a short-term loan.

***May payments from the Fund be used to assist individuals with enrolling in a government benefit program for those who have been laid off due to COVID-19 and thereby lost health insurance?***

Yes. To the extent that the relevant government official determines that these expenses are necessary and they meet the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance, these expenses are eligible.

***May recipients use Fund payments to facilitate livestock depopulation incurred by producers due to supply chain disruptions?***

Yes, to the extent these efforts are deemed necessary for public health reasons or as a form of economic support as a result of the COVID-19 health emergency.

***Would providing a consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense?***

Yes, assuming that the recipient considers the grants to be a necessary expense incurred due to the COVID-19 public health emergency and the grants meet the other requirements for the use of Fund payments under section 601(d) of the Social Security Act outlined in the Guidance. As a general matter, providing assistance to recipients to enable them to meet property tax requirements would not be an eligible use of funds, but exceptions may be made in the case of assistance designed to prevent foreclosures.

***May recipients create a “payroll support program” for public employees?***

Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

***May recipients use Fund payments to cover employment and training programs for employees that have been furloughed due to the public health emergency?***

Yes, this would be an eligible expense if the government determined that the costs of such employment and training programs would be necessary due to the public health emergency.

***May recipients use Fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency?***

Yes, if a government determines such assistance to be a necessary expenditure. Such assistance could include, for example, a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs. Such assistance should be structured in a manner to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.

***The Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. What is meant by a “small business,” and is the Guidance intended to refer only to expenditures to cover administrative expenses of such a grant program?***

Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance.

***The Guidance provides that expenses associated with the provision of economic support in connection with the public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, would constitute eligible expenditures of Fund payments. Would such expenditures be eligible in the absence of a stay-at-home order?***

Fund payments may be used for economic support in the absence of a stay-at-home order if such expenditures are determined by the government to be necessary. This may include, for example, a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency.

***May Fund payments be used to assist impacted property owners with the payment of their property taxes?***

Fund payments may not be used for government revenue replacement, including the provision of assistance to meet tax obligations.

***May Fund payments be used to replace foregone utility fees? If not, can Fund payments be used as a direct subsidy payment to all utility account holders?***

Fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.

***Could Fund payments be used for capital improvement projects that broadly provide potential economic development in a community?***

In general, no. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects.

However, Fund payments may be used for the expenses of, for example, establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity or improve mitigation measures, including related construction costs.

***The Guidance includes workforce bonuses as an example of ineligible expenses but provides that hazard pay would be eligible if otherwise determined to be a necessary expense. Is there a specific definition of “hazard pay”?***

Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.

***The Guidance provides that ineligible expenditures include “[p]ayroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” Is this intended to relate only to public employees?***

Yes. This particular nonexclusive example of an ineligible expenditure relates to public employees. A recipient would not be permitted to pay for payroll or benefit expenses of private employees and any financial assistance (such as grants or short-term loans) to private employers are not subject to the restriction that the private employers’ employees must be substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

***May counties pre-pay with CARES Act funds for expenses such as a one or two-year facility lease, such as to house staff hired in response to COVID-19?***

A government should not make prepayments on contracts using payments from the Fund to the extent that doing so would not be consistent with its ordinary course policies and procedures.

***Must a stay-at-home order or other public health mandate be in effect in order for a government to provide assistance to small businesses using payments from the Fund?***

No. The Guidance provides, as an example of an eligible use of payments from the Fund, expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. Such assistance may be provided using amounts received from the Fund in the absence of a requirement to close businesses if the relevant government determines that such expenditures are necessary in response to the public health emergency.



***Should States receiving a payment transfer funds to local governments that did not receive payments directly from Treasury?***

Yes, provided that the transferred funds are used by the local government for eligible expenditures under the statute. To facilitate prompt distribution of Title V funds, the CARES Act authorized Treasury to make direct payments to local governments with populations in excess of 500,000, in amounts equal to 45% of the local government's per capita share of the statewide allocation. This statutory structure was based on a recognition that it is more administratively feasible to rely on States, rather than the federal government, to manage the transfer of funds to smaller local governments. Consistent with the needs of all local governments for funding to address the public health emergency, States should transfer funds to local governments with populations of 500,000 or less, using as a benchmark the per capita allocation formula that governs payments to larger local governments. This approach will ensure equitable treatment among local governments of all sizes.

For example, a State received the minimum \$1.25 billion allocation and had one county with a population over 500,000 that received \$250 million directly. The State should distribute 45 percent of the \$1 billion it received, or \$450 million, to local governments within the State with a population of 500,000 or less.

***May a State impose restrictions on transfers of funds to local governments?***

Yes, to the extent that the restrictions facilitate the State's compliance with the requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance and other applicable requirements such as the Single Audit Act, discussed below. Other restrictions are not permissible.

***If a recipient must issue tax anticipation notes (TANs) to make up for tax due date deferrals or revenue shortfalls, are the expenses associated with the issuance eligible uses of Fund payments?***

If a government determines that the issuance of TANs is necessary due to the COVID-19 public health emergency, the government may expend payments from the Fund on the interest expense payable on TANs by the borrower and unbudgeted administrative and transactional costs, such as necessary payments to advisors and underwriters, associated with the issuance of the TANs.

***May recipients use Fund payments to expand rural broadband capacity to assist with distance learning and telework?***

Such expenditures would only be permissible if they are necessary for the public health emergency. The cost of projects that would not be expected to increase capacity to a significant extent until the need for distance learning and telework have passed due to this public health emergency would not be necessary due to the public health emergency and thus would not be eligible uses of Fund payments.

***Are costs associated with increased solid waste capacity an eligible use of payments from the Fund?***

Yes, costs to address increase in solid waste as a result of the public health emergency, such as relates to the disposal of used personal protective equipment, would be an eligible expenditure.

***May payments from the Fund be used to cover across-the-board hazard pay for employees working during a state of emergency?***

No. The Guidance says that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Hazard pay is a form of payroll expense and is subject to this limitation, so Fund payments may only be used to cover hazard pay for such individuals.

***May Fund payments be used for expenditures related to the administration of Fund payments by a State, territorial, local, or Tribal government?***

Yes, if the administrative expenses represent an increase over previously budgeted amounts and are limited to what is necessary. For example, a State may expend Fund payments on necessary administrative expenses incurred with respect to a new grant program established to disburse amounts received from the Fund.

***May recipients use Fund payments to provide loans?***

Yes, if the loans otherwise qualify as eligible expenditures under section 601(d) of the Social Security Act as implemented by the Guidance. Any amounts repaid by the borrower before December 30, 2020, must be either returned to Treasury upon receipt by the unit of government providing the loan or used for another expense that qualifies as an eligible expenditure under section 601(d) of the Social Security Act. Any amounts not repaid by the borrower until after December 30, 2020, must be returned to Treasury upon receipt by the unit of government lending the funds.

***May Fund payments be used for expenditures necessary to prepare for a future COVID-19 outbreak?***

Fund payments may be used only for expenditures necessary to address the current COVID-19 public health emergency. For example, a State may spend Fund payments to create a reserve of personal protective equipment or develop increased intensive care unit capacity to support regions in its jurisdiction not yet affected, but likely to be impacted by the current COVID-19 pandemic.

***May funds be used to satisfy non-federal matching requirements under the Stafford Act?***

Yes, payments from the Fund may be used to meet the non-federal matching requirements for Stafford Act assistance to the extent such matching requirements entail COVID-19-related costs that otherwise satisfy the Fund's eligibility criteria and the Stafford Act. Regardless of the use of Fund payments for such purposes, FEMA funding is still dependent on FEMA's determination of eligibility under the Stafford Act.

***Must a State, local, or tribal government require applications to be submitted by businesses or individuals before providing assistance using payments from the Fund?***

Governments have discretion to determine how to tailor assistance programs they establish in response to the COVID-19 public health emergency. However, such a program should be structured in such a manner as will ensure that such assistance is determined to be necessary in response to the COVID-19 public health emergency and otherwise satisfies the requirements of the CARES Act and other applicable law. For example, a per capita payment to residents of a particular jurisdiction without an assessment of individual need would not be an appropriate use of payments from the Fund.

***May Fund payments be provided to non-profits for distribution to individuals in need of financial assistance, such as rent relief?***

Yes, non-profits may be used to distribute assistance. Regardless of how the assistance is structured, the financial assistance provided would have to be related to COVID-19.

***May recipients use Fund payments to remarket the recipient's convention facilities and tourism industry?***

Yes, if the costs of such remarketing satisfy the requirements of the CARES Act. Expenses incurred to publicize the resumption of activities and steps taken to ensure a safe experience may be needed due to



the public health emergency. Expenses related to developing a long-term plan to reposition a recipient's convention and tourism industry and infrastructure would not be incurred due to the public health emergency and therefore may not be covered using payments from the Fund.

***May a State provide assistance to farmers and meat processors to expand capacity, such to cover overtime for USDA meat inspectors?***

If a State determines that expanding meat processing capacity, including by paying overtime to USDA meat inspectors, is a necessary expense incurred due to the public health emergency, such as if increased capacity is necessary to allow farmers and processors to donate meat to food banks, then such expenses are eligible expenses, provided that the expenses satisfy the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance.

***The guidance provides that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. May Fund payments be used to cover such an employee's entire payroll cost or just the portion of time spent on mitigating or responding to the COVID-19 public health emergency?***

As a matter of administrative convenience, the entire payroll cost of an employee whose time is substantially dedicated to mitigating or responding to the COVID-19 public health emergency is eligible, provided that such payroll costs are incurred by December 30, 2020. An employer may also track time spent by employees related to COVID-19 and apply Fund payments on that basis but would need to do so consistently within the relevant agency or department.

***May Fund payments be used to cover increased administrative leave costs of public employees who could not telework in the event of a stay at home order or a case of COVID-19 in the workplace?***

The statute requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. As stated in the Guidance, a cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget or (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. If the cost of an employee was allocated to administrative leave to a greater extent than was expected, the cost of such administrative leave may be covered using payments from the Fund.

**Questions Related to Administration of Fund Payments**

***Do governments have to return unspent funds to Treasury?***

Yes. Section 601(f)(2) of the Social Security Act, as added by section 5001(a) of the CARES Act, provides for recoupment by the Department of the Treasury of amounts received from the Fund that have not been used in a manner consistent with section 601(d) of the Social Security Act. If a government has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the Department of the Treasury.

***What records must be kept by governments receiving payment?***

A government should keep records sufficient to demonstrate that the amount of Fund payments to the government has been used in accordance with section 601(d) of the Social Security Act.

***May recipients deposit Fund payments into interest bearing accounts?***

Yes, provided that if recipients separately invest amounts received from the Fund, they must use the interest earned or other proceeds of these investments only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act and the Guidance on eligible expenses. If a government deposits Fund payments in a government's general account, it may use those funds to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary expenditures. Fund payments are not subject to the Cash Management Improvement Act of 1990, as amended.

***May governments retain assets purchased with payments from the Fund?***

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds provided by section 601(d) of the Social Security Act.

***What rules apply to the proceeds of disposition or sale of assets acquired using payments from the Fund?***

If such assets are disposed of prior to December 30, 2020, the proceeds would be subject to the restrictions on the eligible use of payments from the Fund provided by section 601(d) of the Social Security Act.

***Are Fund payments to State, territorial, local, and tribal governments considered grants?***

No. Fund payments made by Treasury to State, territorial, local, and Tribal governments are not considered to be grants but are "other financial assistance" under 2 C.F.R. § 200.40.

***Are Fund payments considered federal financial assistance for purposes of the Single Audit Act?***

Yes, Fund payments are considered to be federal financial assistance subject to the Single Audit Act (31 U.S.C. §§ 7501-7507) and the related provisions of the Uniform Guidance, 2 C.F.R. § 200.303 regarding internal controls, §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

***Are Fund payments subject to other requirements of the Uniform Guidance?***

Fund payments are subject to the following requirements in the Uniform Guidance (2 C.F.R. Part 200): 2 C.F.R. § 200.303 regarding internal controls, 2 C.F.R. §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

***Is there a Catalog of Federal Domestic Assistance (CFDA) number assigned to the Fund?***

Yes. The CFDA number assigned to the Fund is 21.019.

***If a State transfers Fund payments to its political subdivisions, would the transferred funds count toward the subrecipients' total funding received from the federal government for purposes of the Single Audit Act?***

Yes. The Fund payments to subrecipients would count toward the threshold of the Single Audit Act and 2 C.F.R. part 200, subpart F re: audit requirements. Subrecipients are subject to a single audit or program-

specific audit pursuant to 2 C.F.R. § 200.501(a) when the subrecipients spend \$750,000 or more in federal awards during their fiscal year.

***Are recipients permitted to use payments from the Fund to cover the expenses of an audit conducted under the Single Audit Act?***

Yes, such expenses would be eligible expenditures, subject to the limitations set forth in 2 C.F.R. § 200.425.

***If a government has transferred funds to another entity, from which entity would the Treasury Department seek to recoup the funds if they have not been used in a manner consistent with section 601(d) of the Social Security Act?***

The Treasury Department would seek to recoup the funds from the government that received the payment directly from the Treasury Department. State, territorial, local, and Tribal governments receiving funds from Treasury should ensure that funds transferred to other entities, whether pursuant to a grant program or otherwise, are used in accordance with section 601(d) of the Social Security Act as implemented in the Guidance.



**AGENDA # 6.1**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: AUGUST 4, 2020**

|                                |  |                        |   |
|--------------------------------|--|------------------------|---|
| <b>ORIGINATING DIVISION:</b>   | Planning & Res. Mgmt.  | <b>CONSENT AGENDA:</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>ORIGINATING DEPARTMENT:</b> | Zoning Administration  |                        |   |
| <b>PRESENTER:</b>              | Nathan Hall - 8892   | <b>ATTACHMENTS:</b>    | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>PROJECT:</b>                | Gansen Rezoning  | <b>TIME REQUESTED:</b> | N/A   |
| <b>ACTION REQUESTED:</b>       | Approve the Request for Rezoning of 40 Acres From A-1, Agricultural Preservation District, to A-3, Agricultural Preservation Density District (Denise Edstrom, Applicant and Arnold and Patricia Gansen, Property Owners) in Section 23 of Belle Plaine Township |                        |   |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review   | <b>FISCAL:</b>         | <input type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

**ORGANIZATIONAL VALUES:**

- ☒ **Customer Service:** We will deliver government services in a respectful, responsive, and solution-oriented manner
- ☐ **Communication:** We will always be clear about what we're doing and why we're doing it
- ☐ **Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- ☐ **Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- ☐ **Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- ☐ **Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- ☐ **Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

|  |  |
|--|--|
| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>   |
|  |  |
| <b>Approved:</b>                           | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b> |
| <b>Denied:</b>                             |  |
| <b>Tabled:</b>                             |  |
| <b>Other:</b>                              |  |
| <b>Deputy Clerk :</b>                      |  |
| <b>Date:</b>                               |  |

## Background/Justification:

The purpose of this agenda item is to approve the request for rezoning of 40 acres from A-1, Agricultural Preservation District, to A-3, Agricultural Preservation Density District (Denise Edstrom, applicant and Arnold and Patricia Gansen, property owners) in Section 23 of Belle Plaine Township.

Denise Edstrom is requesting to rezone 40 acres of the 104.97-acre parent parcel from A-1, Agricultural Preservation District, to A-3, Agricultural Preservation Density District. The property is owned by the Arnold and Patricia Gansen. The rezoning will allow the family to separate the existing home from the surrounding agricultural land. The County Subdivision Ordinance allows for existing homes to be separated from agricultural land on parcels 40 acres or greater through an Administrative Subdivision.

This action was recommended by the Scott County Planning Advisory Commission on July 13 in accordance with Chapter 27 of the Scott County Zoning Ordinance No. 3 based on the criteria for approval listed below.

### Fiscal Impact:

None

## SCOTT COUNTY, MINNESOTA REQUEST FOR BOARD ACTION

Denise Edstrom, Applicant and Arnold & Patricia Gansen, Property Owners

### Rezoning

#### Criteria for Approval:

1. *The proposed action has been considered in relation to the specific policies and provisions of and has been found to be consistent with the official County Comprehensive Plan.*

The proposed rezoning conforms to the goals and policies contained in the 2040 Comprehensive Plan for preservation of agricultural land.

2. *The proposed use is or will be compatible with present and future land uses of the area.*

The use is not changing and while the lot size is being reduced the overall density will remain at one unit per 40 acres.

3. *The proposed use conforms to all performance standards contained in this Ordinance.*

The use of the property is not changing, the majority of the property will remain in agricultural production.

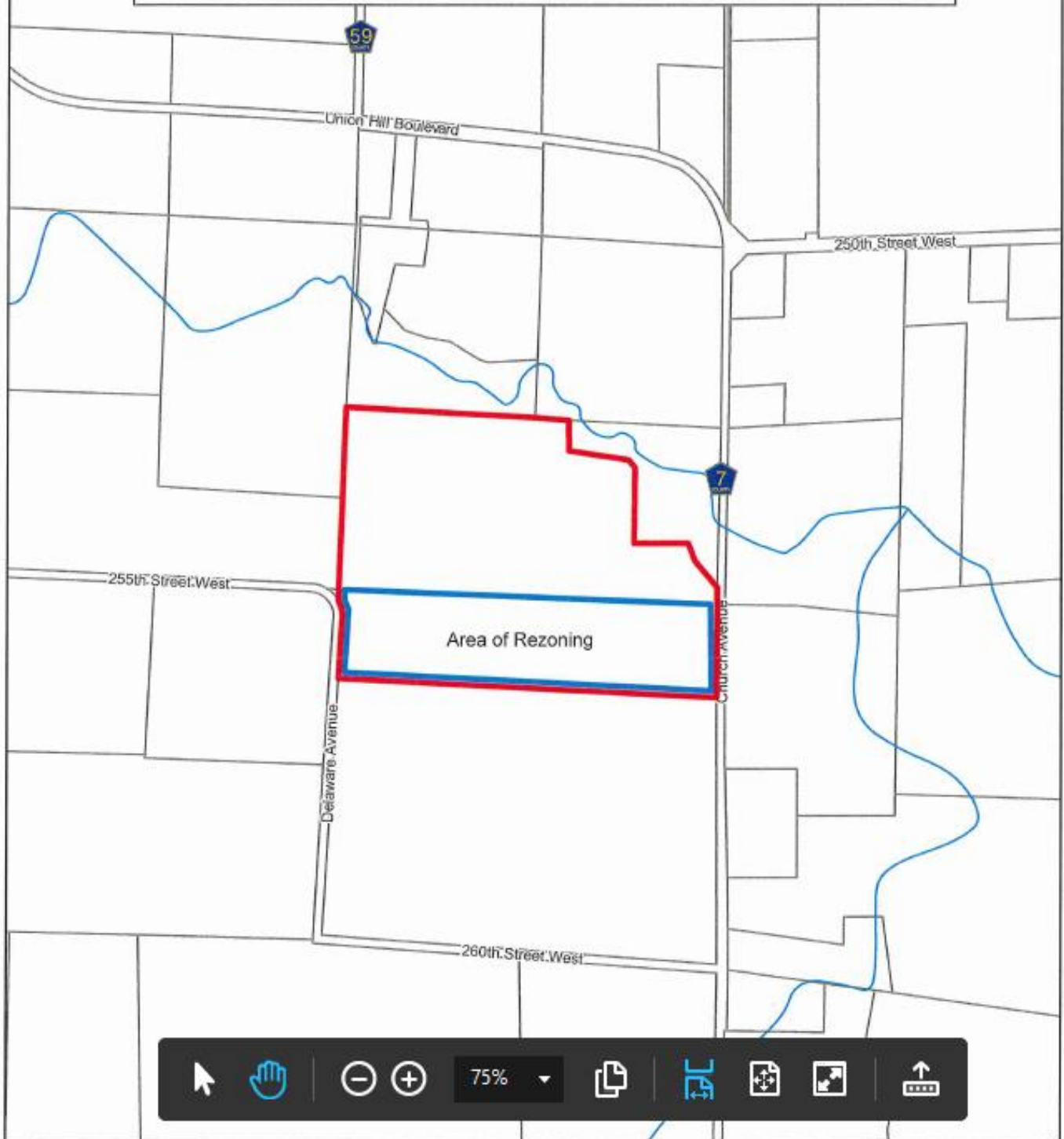
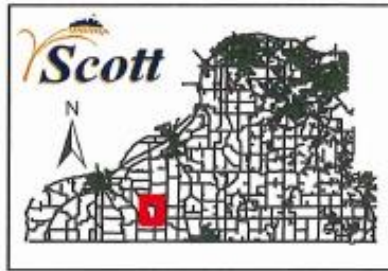
4. *The proposed use can be accommodated with existing and planned public services and will not overburden the County or Township's service capacity.*

The use is not changing and therefore will not adversely impact public service capacity for local service providers.

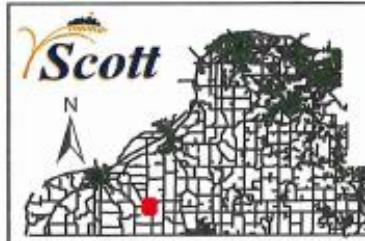
5. *Traffic generation by the proposed use is within capabilities of streets serving the property.*

The existing residence has frontage on Church Avenue and the access point will not be altered. The remaining agricultural parcel has an existing field access.

**BELLE PLAINE TOWNSHIP  
SECTION 23  
ARNOLD & PATRICIA GANSEN  
REQUEST FOR REZONING**



**BELLE PLAINE TOWNSHIP  
SECTION 23  
ARNOLD & PATRICIA GANSEN  
REQUEST FOR REZONING**



Delaware Avenue

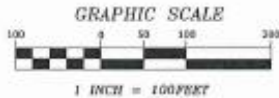
Church Avenue



# CERTIFICATE OF SURVEY

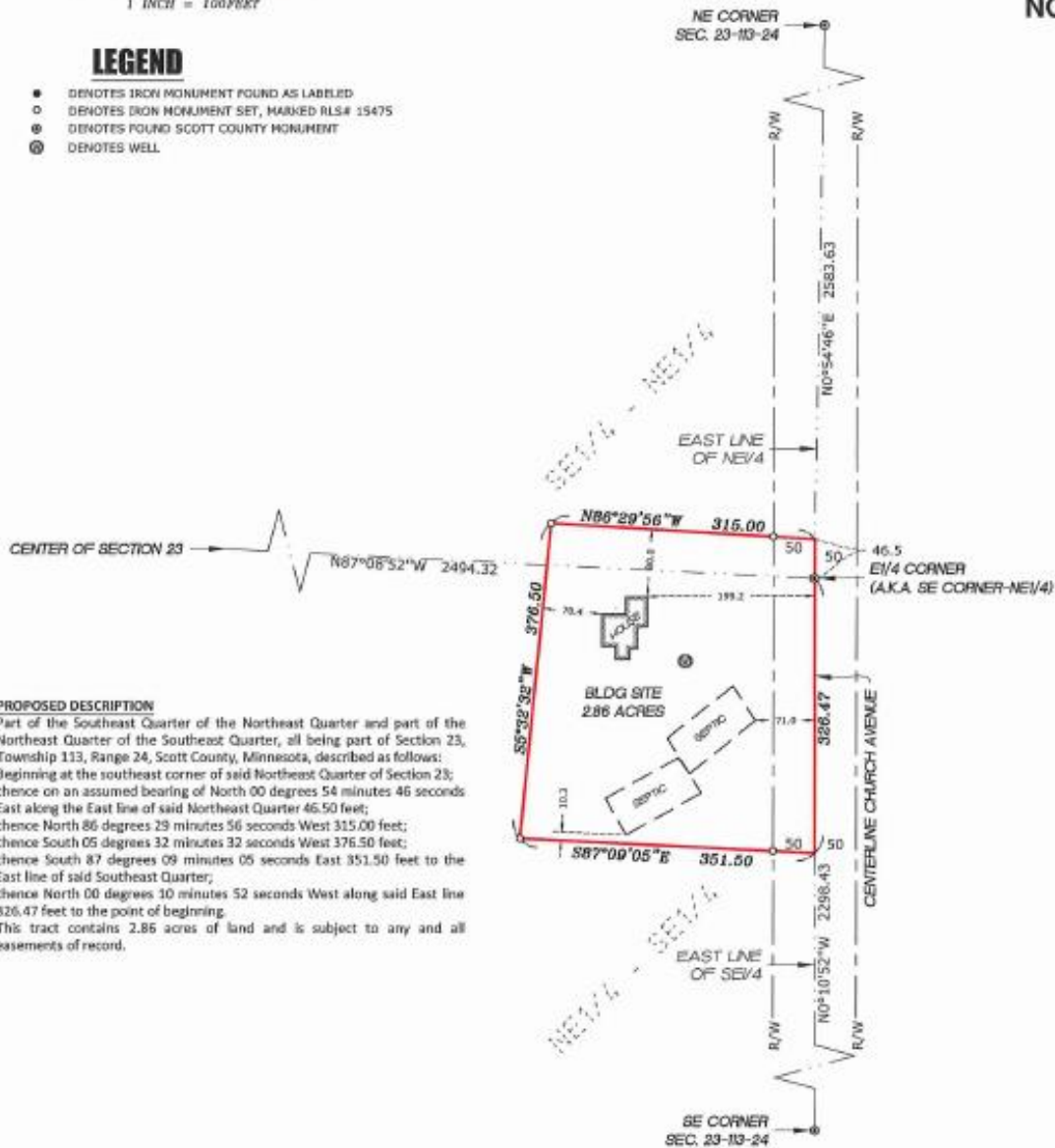
~for~ ARNOLD & PATRICIA GANSEN

~Part of~ NE1/4-SE1/4 & SE1/4-NE1/4, Sec. 23-113-24  
Belle Plaine Twp., Scott Co., MN



## LEGEND

- DENOTES IRON MONUMENT FOUND AS LABELED
- DENOTES IRON MONUMENT SET, MARKED RLS# 15475
- ⊙ DENOTES FOUND SCOTT COUNTY MONUMENT
- ⊕ DENOTES WELL



### PROPOSED DESCRIPTION

Part of the Southeast Quarter of the Northeast Quarter and part of the Northeast Quarter of the Southeast Quarter, all being part of Section 23, Township 113, Range 24, Scott County, Minnesota, described as follows: Beginning at the southeast corner of said Northeast Quarter of Section 23; thence on an assumed bearing of North 00 degrees 54 minutes 46 seconds East along the East line of said Northeast Quarter 46.50 feet; thence North 86 degrees 29 minutes 56 seconds West 315.00 feet; thence South 05 degrees 32 minutes 32 seconds West 376.50 feet; thence South 87 degrees 09 minutes 05 seconds East 351.50 feet to the East line of said Southeast Quarter; thence North 00 degrees 10 minutes 52 seconds West along said East line 328.47 feet to the point of beginning. This tract contains 2.86 acres of land and is subject to any and all easements of record.

I hereby certify that this survey, plan or report was prepared by me or under my direct supervision and that I am a duly Registered Land Surveyor under the laws of the State of Minnesota.

*[Signature]*  
AVERY GROCENOW

Date: 05/23/20 License No. 15475

|           |    |             |           |       |          |
|-----------|----|-------------|-----------|-------|----------|
| DRAWN BY: | SW | JOB NO:     | 23.041885 | DATE: | 05/23/20 |
| CHECK BY: | AG | FIELD CREW: | JH        |       |          |
| 1         |    |             |           |       |          |
| 2         |    |             |           |       |          |
| 3         |    |             |           |       |          |

**E. G. RUD & SONS, INC.**  
Professional Land Surveyors  
335 Main Ave., P.O. Box 988  
Gaylord, MN 55334  
www.egrud.com



**SCOTT COUNTY**  
**Environmental Services**

GOVERNMENT CENTER 114 • 200 FOURTH AVENUE WEST • SHAKOPEE, MN 55379-1220  
(952) 496-8177 • Web [www.scottcountymn.gov](http://www.scottcountymn.gov)

## Memo

**Date:** June 11, 2020  
**To:** Greg Wagner, Zoning Department  
**From:** Mary VonEschen, Environmental Services Department  
**Subject:** PL2020-0027 Administrative Subdivision Gansen

---

The Scott County Environmental Services Department has completed a review of the septic system locations and soil boring information for the project located at 25460 Church Ave in Belle Plaine Township. The septic system information and soil information provided (dated 5/11/2020) appears to be in conformance with the Scott County Subsurface Sewage Treatment System Ordinance #4 and Minn. Rules Chapter 7080.

If you have any questions, please contact me at (952) 496-8344.

**AGENDA # 6.2**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: AUGUST 4, 2020**

|                                |  |                        |   |
|--------------------------------|--|------------------------|---|
| <b>ORIGINATING DIVISION:</b>   | Planning & Res. Mgmt.  | <b>CONSENT AGENDA:</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>ORIGINATING DEPARTMENT:</b> | Zoning Administration  |                        |   |
| <b>PRESENTER:</b>              | Nathan Hall - 8892   | <b>ATTACHMENTS:</b>    | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>PROJECT:</b>                | Novak Rezone   | <b>TIME REQUESTED:</b> | N/A   |
| <b>ACTION REQUESTED:</b>       | Approve the Request for Rezoning 40 Acres From UER, Urban Expansion Reserve District, to UER-C, Urban Expansion Reserve Cluster District (Randy Kubes, Applicant and Goldie M. Novak Revocable Trust, Property Owner) in Section 36 of Helena Township |                        |   |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review   | <b>FISCAL:</b>         | <input type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

**ORGANIZATIONAL VALUES:**

- ☒ **Customer Service:** We will deliver government services in a respectful, responsive, and solution-oriented manner
- ☐ **Communication:** We will always be clear about what we're doing and why we're doing it
- ☐ **Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- ☐ **Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- ☐ **Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- ☐ **Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- ☐ **Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

|  |  |
|--|--|
| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>   |
|  |  |
| <b>Approved:</b>                           | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b> |
| <b>Denied:</b>                             |  |
| <b>Tabled:</b>                             |  |
| <b>Other:</b>                              |  |
| <b>Deputy Clerk :</b>                      |  |
| <b>Date:</b>                               |  |

**Background/Justification:**

The purpose of this agenda item is to approve the request for rezoning 40 acres from UER, Urban Expansion Reserve District, to UER-C, Urban Expansion Reserve Cluster District (Randy Kubes, applicant and Goldie M. Novak Revocable Trust, property owner) in Section 36 of Helena Township.

The rezoning will allow the owner to separate the home from the surrounding agricultural land. The County Subdivision Ordinance allows for existing homesteads to be separated from agricultural land on parcels 40 acres or greater through an Administrative Subdivision.

This action was recommended by the Scott County Planning Advisory Commission on July 13, 2020 in accordance with Chapters 2 and 60 of the Scott County Zoning Ordinance No. 3 based on the criteria for approval listed below.

Fiscal Impact:  
None

## SCOTT COUNTY, MINNESOTA REQUEST FOR BOARD ACTION

Randy Kubes, Applicant and Goldie M. Novak Revocable Trust, Property Owner

Rezoning

### Criteria for Approval:

1. *The proposed action has been considered in relation to the specific policies and provisions of and has been found to be consistent with the official County Comprehensive Plan.*

The proposed rezoning conforms to the goals and policies contained in the 2040 Comprehensive Plan for Urban Expansion Areas.

2. *The proposed use is or will be compatible with present and future land uses of the area.*

The use is not changing and while the lot size is being reduced the overall density will remain at one unit per 40 acres.

3. *The proposed use conforms to all performance standards contained in this Ordinance.*

The use of the property is not changing; the majority of the property will remain in agricultural production.

4. *The proposed use can be accommodated with existing and planned public services and will not overburden the County or Township's service capacity.*

The use is not changing and therefore will not adversely impact public service capacity for local service providers.

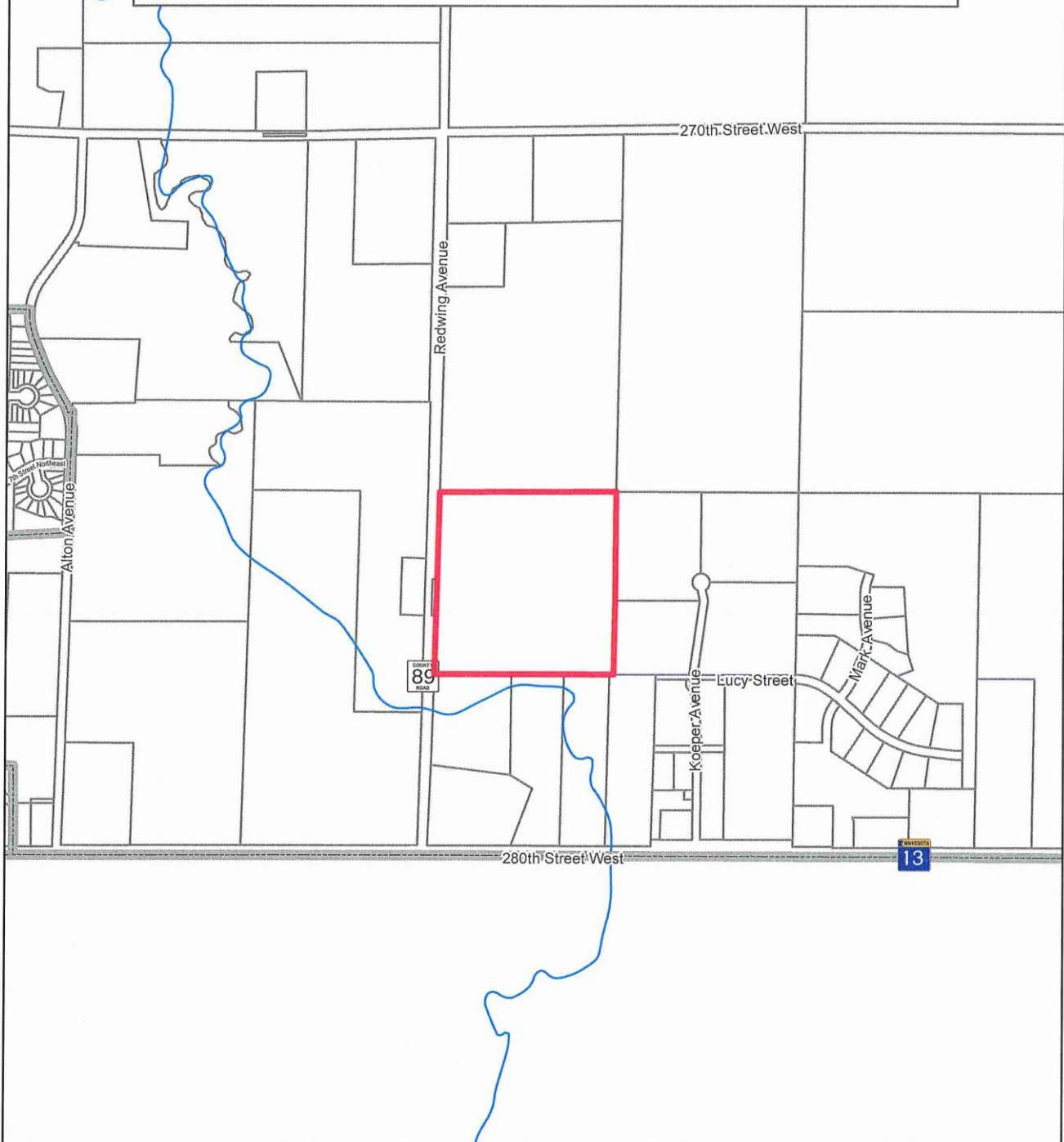
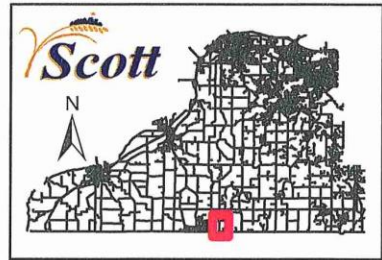
5. *Traffic generation by the proposed use is within capabilities of streets serving the property.*

The farmstead has access from Redwing Avenue. No increase in traffic generation is anticipated.

And noting that the Helena Town Board recommended approval of the rezoning.

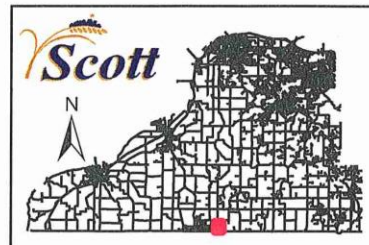


HELENA TOWNSHIP  
SECTION 36  
RANDY KUBES  
REQUEST FOR REZONING



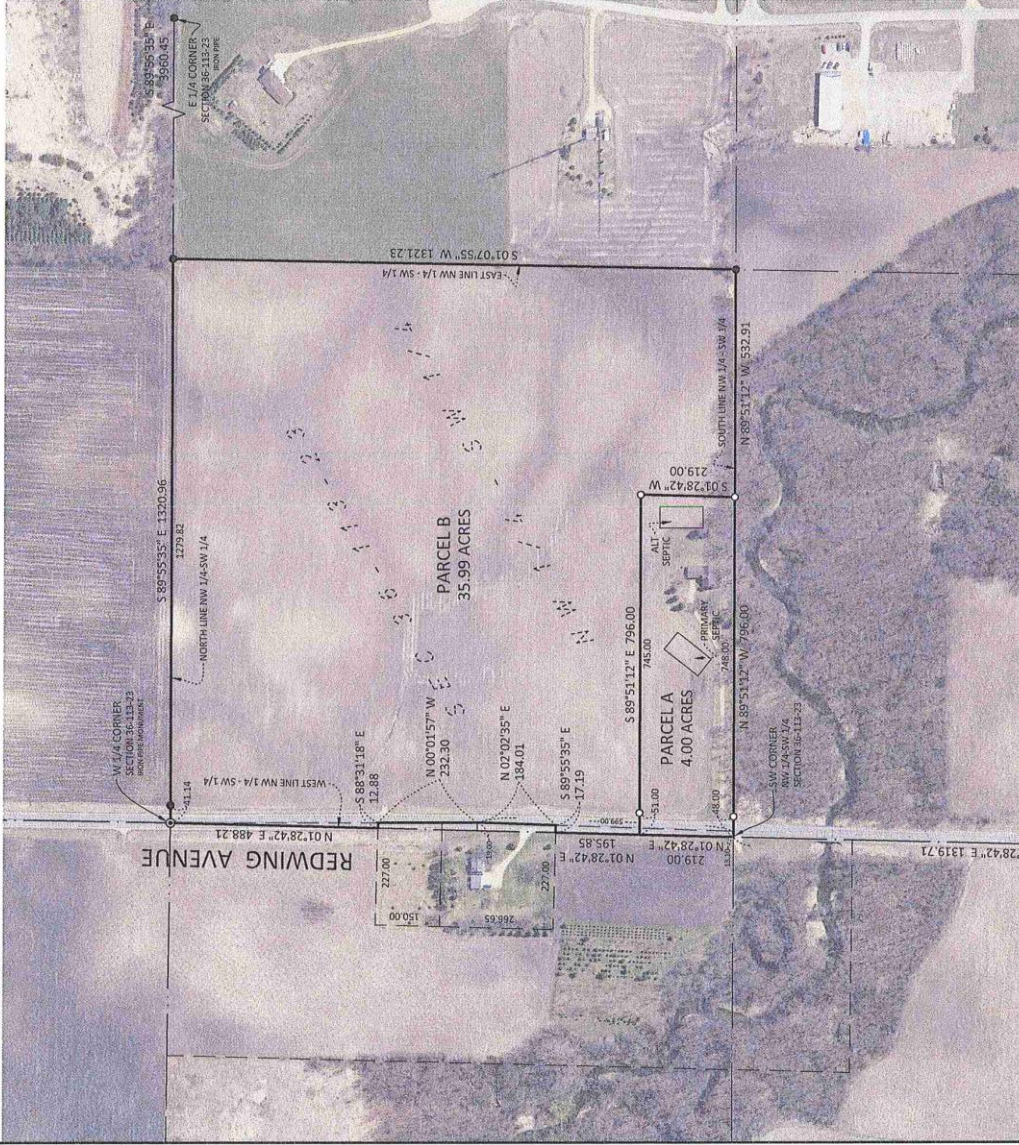


HELENA TOWNSHIP  
SECTION 36  
RANDY KUBES  
REQUEST FOR REZONING





# ADMINISTRATIVE SUBDIVISION SECTION 36-113-23



**LEGEND**

- 3/4" IRON PIPE MONUMENT SET
- MONUMENT FOUND

**SURVEYOR'S CERTIFICATION**

I hereby certify that this survey, plan, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

*Rory Jensen*  
Rory Jensen  
License Number 19789

Horizontal Datum: NAD 1983  
Scott County Coordinate System

07/06/2020  
Date

0 200 400  
SCALE IN FEET

**DESCRIPTION OF RECORD**

The Northwest Quarter (NW 1/4) of Southwest Quarter (SW 1/4) in Section 36, Township 113 North, Range 23 West, Scott County, Minnesota.

**EXCEPT THEREFROM THE FOLLOWING DESCRIBED PARCELS:**

That part of the South 266.65 feet of the North 904.86 feet to the Southwest Quarter of Section 36, Township 113, Range 23, Scott County, Minnesota, which lies West of the following described line: Beginning at a point on the North line of the Southwest Quarter of said Southwest Quarter 13.1 feet East of the Northwest corner of said Southwest Quarter of the Southwest Quarter; thence North 599.00 feet to a point 19.00 feet East of the West line of said Southwest Quarter; thence North to the Northwest corner of said Southwest Quarter and said line there terminating.

**AND**

That part of the South 150.00 feet of the North 638.21 feet of the Southwest Quarter of Section 36, Township 113, Range 23, Scott County, Minnesota, which lies West of the following described line: Beginning at a point on the North line of the Southwest Quarter of said Southwest Quarter 13.1 feet East of the Northwest corner of said Southwest Quarter of the Southwest Quarter; thence North 599.00 feet to a point 19.00 feet East of the West line of said Southwest Quarter; thence North to the Northwest corner of said Southwest Quarter and said line there terminating. This tract contains 0.05 acres of land and is subject to any and all easements of record.

## PROPOSED DESCRIPTIONS

### PARCEL A

That part of the Northwest Quarter of the Southwest Quarter of Section 36, Township 113 North, Range 23 West, Scott County, Minnesota.

Beginning at the Southwest Corner of the Southwest Quarter of said Section 36; thence North 01 degrees 28 minutes 42 seconds East (bearing based on Scott County Coordinate System MA083, 1996 Adjustment) along the West line of the Southwest Quarter of said Section 36, a distance of 219.00 feet; thence South 89 degrees 51 minutes 12 seconds East, a distance of 796.00 feet; thence South 01 degrees 28 minutes 42 seconds West, a distance of 219.00 feet to the South line of the Northwest Quarter of the Southwest Quarter of said Section 36; thence North 89 degrees 51 minutes 12 seconds West along said South line, a distance of 796.00 feet to the point of beginning.

Said parcel contains 4.00 acres of land.

### PARCEL B

The Northwest Quarter (NW 1/4) of Southwest Quarter (SW 1/4) in Section 36, Township 113 North, Range 23 West, Scott County, Minnesota.

**EXCEPT THEREFROM THE FOLLOWING DESCRIBED PARCELS:**

That part of the South 266.65 feet of the North 904.86 feet to the Southwest Quarter of Section 36, Township 113, Range 23, Scott County, Minnesota, which lies West of the following described line: Beginning at a point on the North line of the Southwest Quarter of said Southwest Quarter 13.1 feet East of the Northwest corner of said Southwest Quarter of the Southwest Quarter; thence North 599.00 feet to a point 19.00 feet East of the West line of said Southwest Quarter; thence North to the Northwest corner of said Southwest Quarter and said line there terminating.

**AND**

That part of the South 150.00 feet of the North 638.21 feet of the Southwest Quarter of Section 36, Township 113, Range 23, Scott County, Minnesota, which lies West of the following described line: Beginning at a point on the North line of the Southwest Quarter of said Southwest Quarter 13.1 feet East of the Northwest corner of said Southwest Quarter of the Southwest Quarter; thence North 599.00 feet to a point 19.00 feet East of the West line of said Southwest Quarter; thence North to the Northwest corner of said Southwest Quarter and said line there terminating.

**AND**

That part of the Northwest Quarter of the Southwest Quarter of Section 36, Township 113 North, Range 23 West, Scott County, Minnesota.

Beginning at the Southwest Corner of the Southwest Quarter of said Section 36; thence North 01 degrees 28 minutes 42 seconds East (bearing based on Scott County Coordinate System MA083, 1996 Adjustment) along the West line of the Southwest Quarter of said Section 36, a distance of 219.00 feet; thence South 89 degrees 51 minutes 12 seconds East, a distance of 796.00 feet; thence South 01 degrees 28 minutes 42 seconds West, a distance of 219.00 feet to the South line of the Northwest Quarter of the Southwest Quarter of said Section 36; thence North 89 degrees 51 minutes 12 seconds West along said South line, a distance of 796.00 feet to the point of beginning.

Said parcel contains 35.99 acres of land.

## CERTIFICATE OF SURVEY

SCOTT COUNTY, MINNESOTA



1900 PREMIER DRIVE  
MANKATO, MINNESOTA 56001  
(507) 625-4171

NW 1/4, SW 1/4, QUARTER OF SECTION 36  
TOWNSHIP 113 NORTH RANGE 23 WEST  
HELENA TOWNSHIP, SCOTT COUNTY,  
MINNESOTA

FOR: KUBES REALTY  
NOVA PARK



7/13/18

# TOWNSHIP RECOMMENDATION FORM

On June 4, 2020, the Town Board of Helena discussed  
with Randy Kubes, the request to rezone 40+/- acres  
at 27725 Redwing Ave to isolate the 4 acre Bldg site  
in Section 36 from UER to UER-C

After reviewing the Request, the Town Board:

☒

RECOMMENDS APPROVAL

WITH THE FOLLOWING CONDITIONS:

1) taxes current; 2) property  
owner aware of trap Right to Farm Ordinance

☐

RECOMMENDS DISAPPROVAL

FOR THE FOLLOWING REASONS:

☐

HAS NO RECOMMENDATION, BUT WILL FORWARD THE REQUEST TO THE PLANNING  
COMMISSION OR BOARD OF ADJUSTMENT.

SIGNED:

DeAnn Croatt

CLERK

John Hermuskyda

SUPERVISOR

Ed Nytes/dc

SUPERVISOR

Dwaine Stutzel/dc

SUPERVISOR

Clerk Authorized to sign form on a motion by  
 Hermuskyda/Nytes; carried on roll call vote 3:0:0

White - County

Yellow - Township Copy

Pink - Applicant's Copy

**AGENDA # 6.3**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: AUGUST 4, 2020**

|                                |  |                        |   |
|--------------------------------|--|------------------------|---|
| <b>ORIGINATING DIVISION:</b>   | Planning & Res. Mgmt.  | <b>CONSENT AGENDA:</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>ORIGINATING DEPARTMENT:</b> | Zoning Administration  |                        |   |
| <b>PRESENTER:</b>              | Greg Wagner - 8360   | <b>ATTACHMENTS:</b>    | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>PROJECT:</b>                | Northstar Mudjacking IUP   | <b>TIME REQUESTED:</b> | N/A   |
| <b>ACTION REQUESTED:</b>       | Approve the Request for an Interim Use Permit to Operate a Mudjacking Home Extended Business (Chris Hilfer and Julie Kacon, Applicants and Property Owners) in Section 36 of New Market Township |                        |   |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review   | <b>FISCAL:</b>         | <input type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

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|--|--|
| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>   |
|  |  |
| <b>Approved:</b>                           | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b> |
| <b>Denied:</b>                             |  |
| <b>Tabled:</b>                             |  |
| <b>Other:</b>                              |  |
| <b>Deputy Clerk :</b>                      |  |
| <b>Date:</b>                               |  |

**Background/Justification:**

The purpose of this agenda item is to approve the request for an Interim Use Permit to operate a mudjacking home extended business (Chris Hilfer and Julie Kacon, applicants and property owners) in Section 36 of New Market Township.

This action was recommended by the Scott County Planning Advisory Commission on July 13, in accordance with Chapters 2, 8, and 30 of the Scott County Zoning Ordinance No. 3 based on the criteria for approval listed below.

Fiscal Impact:  
None

## SCOTT COUNTY, MINNESOTA REQUEST FOR BOARD ACTION

Chris Hilfer & Julie Kacon, Applicants and Property Owners

### Interim Use Permit

#### Conditions of Approval:

1. The Interim Use Permit (IUP) is issued to Chris Hilfer and Julie Kacon to operate a home-extended mudjacking business. If the property is sold or the business operations cease for 1 year, the IUP shall terminate.
2. The applicants are to file with the Scott County Zoning Administration in January of each year a statement indicating that they are in compliance with the conditions of the Interim Use Permit (IUP).
3. This IUP shall be annually reviewed by the Township at a time and in a manner as prescribed by the New Market Township Board.
4. The applicant shall pay an annual inspection fee for the IUP, if and when the County adopts an inspection fee ordinance.
5. The business shall be run according to the applicants' business narrative and shall comply with all County Zoning Ordinance regulations for home businesses.
6. Any signage shall comply with the Scott County Sign Ordinance and sign regulations for home-extended businesses.
7. There shall be no more than one non-resident employee working on site; seasonal employees shall be allowed to pick up work vehicles and equipment for off premise work per the business narrative.
8. The business shall be limited to three (3) business associated vehicles (truck & trailer combinations). No overnight outside storage of vehicles, equipment, or supplies is allowed.
9. The applicant shall schedule inspections and obtain a Hazardous Waste License as required from Scott County Environmental Services Department.
10. Any floor drains or shop sinks that would have grease/oil/cleaners, etc. must drain to a holding tank.
11. The structure utilized for the business shall meet the requirements of the Scott County Building Official and the State Building Code prior to locating the home extended business on the property.

And noting that the New Market Town Board heard the request at their May 7, 2020 monthly meeting and had no issues with the request.

Criteria for Approval (Chapter 2-6-1):

1. *The use will not create a burden on public facilities and utilities, which serve or are proposed to serve the area.*

The proposed use will not utilize public facilities or utilities, other than the County road, and this use will be limited to personal and business trips.

2. *The use will be sufficiently compatible with, or separated by sufficient distance from, or screened from adjacent agricultural or residential land uses so that there will be no deterrence to the use or development of adjacent land and uses.*

The pole building will be similar to other accessory buildings on adjacent parcels and will be mostly screened from the nearest neighbor to the west by existing wooded areas. The use is allowed on parcels 5 acres or larger in the UER zoning district, and the adjacent land is not further sub-dividable until municipal sewer and water services are available.

3. *If improvements are made, they shall be so designated and constructed that they are not unsightly in appearance to the extent that it will hinder the orderly and harmonious development of the district wherein proposed.*

The structure is designed of materials that will not be unsightly in appearance. The building is similar to accessory buildings located on adjacent properties and on 10-acre parcels in the area.

4. *Adequate measures have been taken to provide ingress and egress so designed as to minimize traffic congestion, provide adequate access to public roads, and provide on-site parking.*

The property has a single driveway access to County Road 86 (280th Street East). The nature of the business does not generate customer parking since the service work is done off-site; employee parking will be on the existing gravel driveway area.

5. *Adequate water supply, Individual Sewage Treatment System facilities, erosion control, and stormwater management are provided in accordance with applicable standards.*

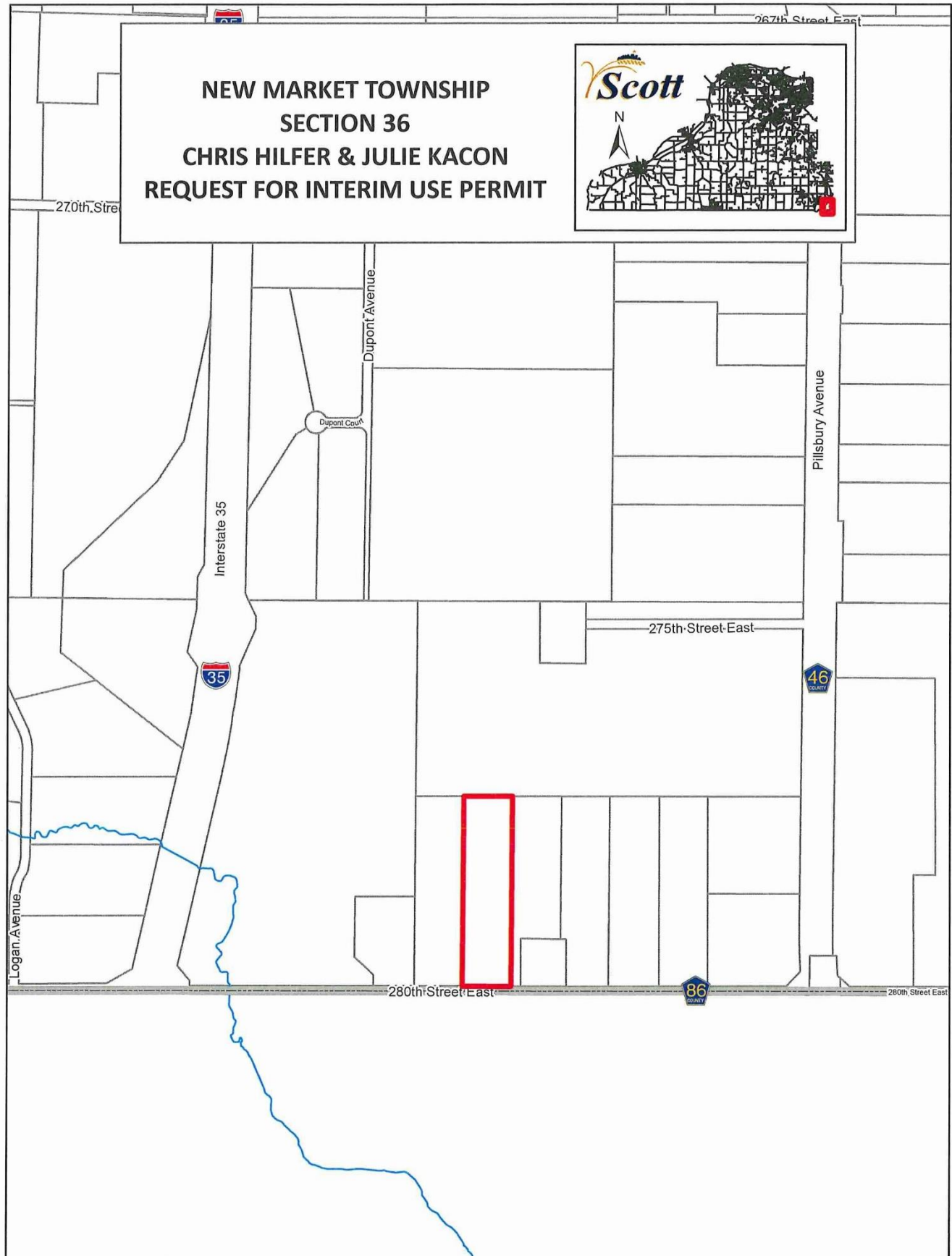
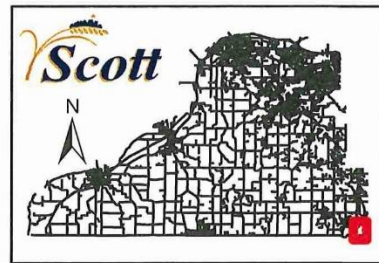
No bathroom or other utilities are proposed for the accessory building. The home has a compliant septic and an individual well. The seasonal use is allowed to use temporary restroom facilities. Erosion control will be reviewed during building construction after a permit is issued.

6. *All buildings/structures must meet the intent of the State Building Code and/or fire codes.*

Proposed improvements and any future improvements shall require building permits in compliance with applicable Minnesota State Building Codes.

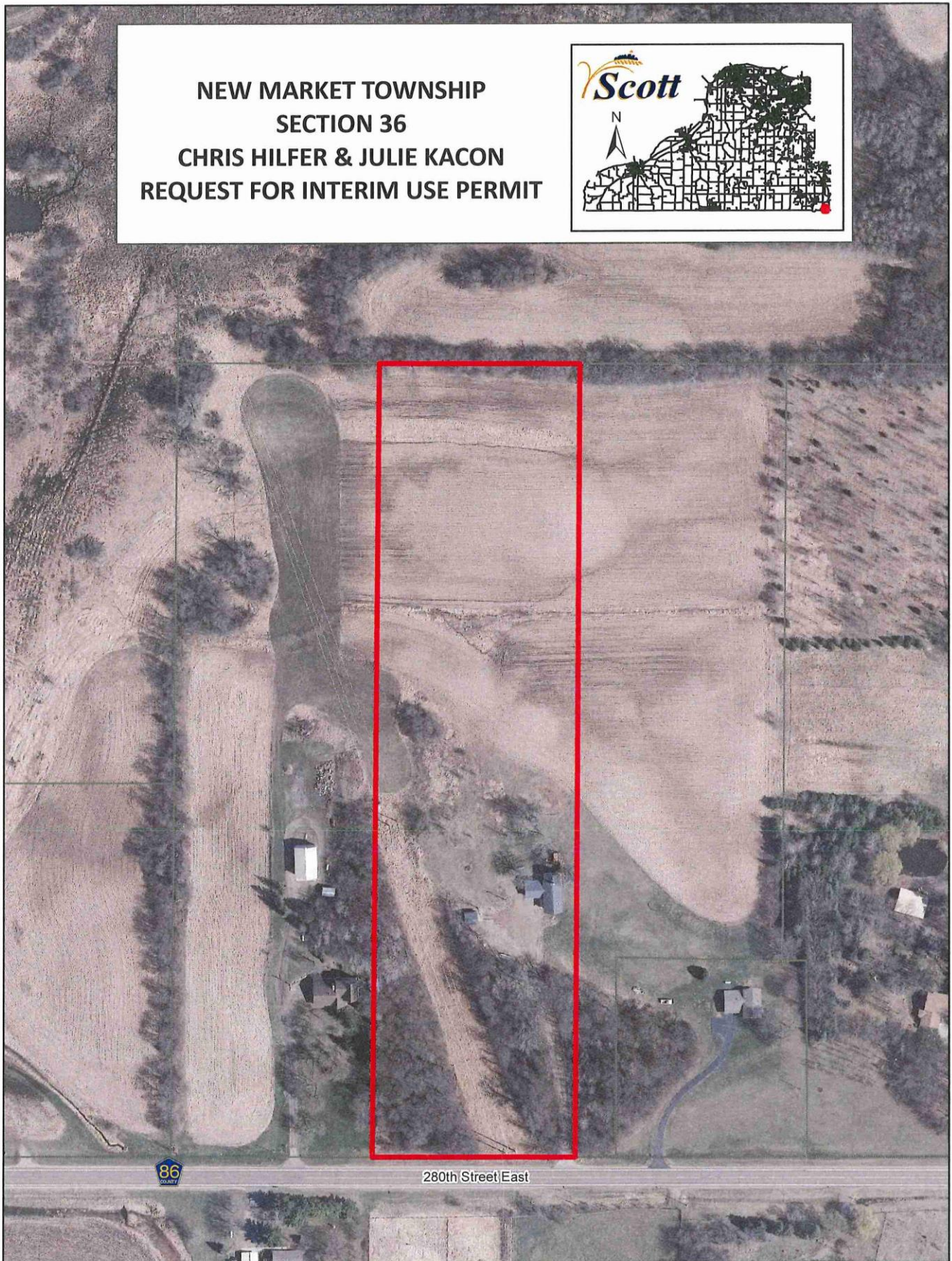
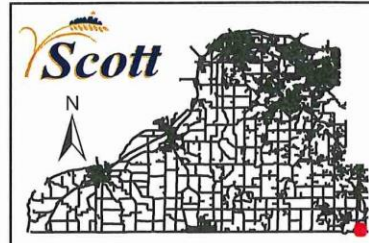


**NEW MARKET TOWNSHIP  
SECTION 36  
CHRIS HILFER & JULIE KACON  
REQUEST FOR INTERIM USE PERMIT**





**NEW MARKET TOWNSHIP  
SECTION 36  
CHRIS HILFER & JULIE KACON  
REQUEST FOR INTERIM USE PERMIT**







Northstar Mudjacking & More  
14109 Burnley Way  
Rosemount, MN 55068  
Office: 651.405.6717, Cell: 952.564.1428  
chris.hilfer@northstar-mudjacking.net  
[www.northstarmudjacking.net](http://www.northstarmudjacking.net)

Northstar is a Mudjacking Company. We raise and level concrete, as well as remove asphalt and concrete sidewalks/driveways.

- We are a seasonal business, mid-April (once the frost is out of the ground) until the first frost of the season.
- The Mudjacking truck will leave the shop daily Monday through Friday. The dump truck will run when we have concrete and asphalt removal jobs, anywhere from 3 to 5 days a week, Monday through Friday.
- We have 2 seasonal employees. They normally start at 7 and are done between 3 and 4.
- All our equipment will be stored inside the proposed pole shed; nothing will be stored outside.

We attended a Zoom meeting with the New Market Township on May 5<sup>th</sup>. We talked about our plans for the home business, who we are and did receive approval from the board which includes Doug Quast to move forward with the home business and being able to build a pole shed on the property at 11400 280<sup>th</sup> St East, Webster MN 55088.

WOODLEY

POLE  
SHED

I.P.  
TANK

GARAGE

House

DECK

SEWER

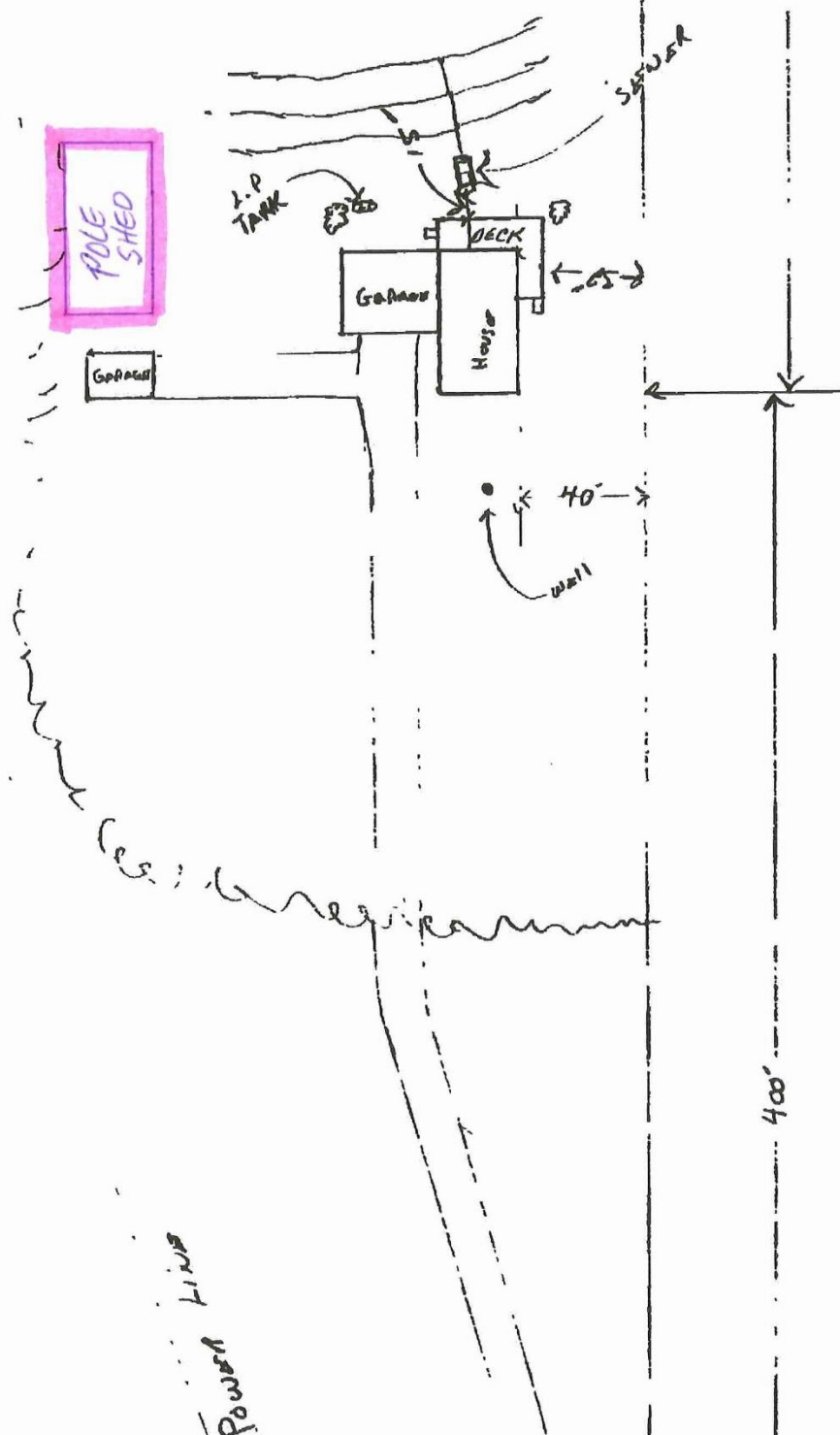
GARAGE

40'

Wall

400'

Power  
Line



**AGENDA # 6.4**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: AUGUST 4, 2020**

|                                |  |                        |   |
|--------------------------------|--|------------------------|---|
| <b>ORIGINATING DIVISION:</b>   | Community Services   | <b>CONSENT AGENDA:</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>ORIGINATING DEPARTMENT:</b> | Property & Customer Service  |                        |   |
| <b>PRESENTER:</b>              | Tammy/Nick X8662   | <b>ATTACHMENTS:</b>    | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No               |
| <b>PROJECT:</b>                |  | <b>TIME REQUESTED:</b> | N/A   |
| <b>ACTION REQUESTED:</b>       | Approve the Conversion of an Approved On Sale Liquor License to a Seasonal On Sale Liquor License for Sever's Corn Maze LP dba Sever's Farm in Louisville Township |                        |   |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review   | <b>FISCAL:</b>         | <input type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

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| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> |  | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>   |  |
|  |  |  |  |
| <b>Approved:</b>                           |  | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b><br><br>Nick Durrence, Customer Service Specialist<br>Certified Copy |  |
| <b>Denied:</b>                             |  |  |  |
| <b>Tabled:</b>                             |  |  |  |
| <b>Other:</b>                              |  |  |  |
| <b>Deputy Clerk :</b>                      |  |  |  |
| <b>Date:</b>                               |  |  |  |

**Background/Justification:**

The purpose of this agenda item is to approve the conversion of an approved On Sale Liquor License to a Seasonal On Sale Liquor License for Sever's Corn Maze LP dba Sever's Farm in Louisville Township.

This conversion is being requested by Minnesota Alcohol and Gambling due to the nature of the applicant's business. A Seasonal On Sale License can only run a maximum of ten months in a year and is meant for seasonal business without any central structure.

This License will run from September 2020 to December 2020. It will be held at the address of 3121 W 150<sup>th</sup> Street in Louisville Township.

All background, tax, debt, and judgement searches have been completed and were found to be satisfactory.

The Louisville Town Board resolution has been received and recommends approval. Scott Count Staff recommends approval.

Fiscal Impact:

None

**AGENDA # 6.5**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: AUGUST 4, 2020**

|  |  |                        |   |
|--|--|------------------------|---|
| <b>ORIGINATING DIVISION:<br/>ORIGINATING DEPARTMENT:</b> | Employee Relations   | <b>CONSENT AGENDA:</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>PRESENTER:</b>  | Janelle McGlinchey   | <b>ATTACHMENTS:</b>    | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No               |
| <b>PROJECT:</b>  | ---  | <b>TIME REQUESTED:</b> | ---   |
| <b>ACTION REQUESTED:</b>                                 | Approve Payroll Processing of Personnel Actions Indicated Below and Hereby Certified by the Employee Relations Director and the Appointing Authority to be in Compliance With the Provisions of Minnesota Statutes 375.56 – 375.71 and the Scott County Personnel System |                        |   |
| <b>CONTRACT/POLICY/GRANT:</b>                            | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review   | <b>FISCAL:</b>         | <input type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

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|  |  |
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| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> | <b>COUNTY ADMINISTRATOR SIGNATURE:</b> |
|  |  |

|                       |  |  |
|-----------------------|--|--|
| <b>Approved:</b>      |  | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b><br><br>Janelle McGlinchey, Employee Relations |
| <b>Denied:</b>        |  |  |
| <b>Tabled:</b>        |  |  |
| <b>Other:</b>         |  |  |
| <b>Deputy Clerk :</b> |  |  |
| <b>Date:</b>          |  |  |

**Background/Justification:**

1. Separation of employment for Zachary Brunotte, FT Probationary 911 Dispatcher, County Sheriff's Office, effective 07/03/20.

2. Separation of employment for Staci Nelson, FT Corrections Officer, County Sheriff's Office, effective 06/21/20.
3. Separation of employment for Howard Hanson, Intermittent (34% FTE) Corrections Officer-Unclassified, County Sheriff's Office, effective 05/12/20.
4. FT Temporary employment for Rose Menke, Office Assistant-Unclassified, Community Services Division, effective 07/20/20.
5. FT Temporary employment for Al Sticha, Office Assistant-Unclassified, Community Services Division, effective 07/20/20.
6. FT Temporary employment for Sam Stuyvenberg, HHW Assistant-Unclassified, Planning and Resources Management Division, effective 07/29/20.
7. Intermittent (34% FTE) employment for David Born, PT Sheriff's Deputy-Unclassified, County Sheriff's Office, effective 07/08/20.
8. Intermittent (34% FTE) employment for Jameson Ryskoski, PT Facility Probation Officer-Unclassified, Health and Human Services Division, effective 07/13/20.
9. The recognition of the following individuals as volunteers which will enable them to be covered for liability insurance purposes in accordance with the insurance contracts currently in force with Scott County:

Add

|                  |                  |
|------------------|------------------|
| Lynette Rohe     | Lisa Medin       |
| Lacy Atkinson    | Michael Siehndel |
| Paula McGranahan | Kaitlyn True     |
| Deborah Kidder   | Charlotte Theis  |
| Dawn Gardeski    | Nicole Clifton   |
| Heidi Hindt      | Bruce Stokke     |
| Albert Gambino   | Jeffrey Smith    |
| Thomas Dillard   |                  |

Fiscal Impact: N/A



**AGENDA # 6.6**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: AUGUST 4, 2020**

|                                |  |                        |  |
|--------------------------------|--|------------------------|--|
| <b>ORIGINATING DIVISION:</b>   | Community Services   | <b>CONSENT AGENDA:</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                          |
| <b>ORIGINATING DEPARTMENT:</b> |  | <b>ATTACHMENTS:</b>    | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                          |
| <b>PRESENTER:</b>              | Cindy Geis<br>Perry Mulcrone   | <b>TIME REQUESTED:</b> |  |
| <b>PROJECT:</b>                |  |                        |  |
| <b>ACTION REQUESTED:</b>       | Adopt Resolution No. 2020-111; Approving an Agreement with Carver County for a Third Addendum to the Existing Scott County-Carver County Agreement for Additional Joint Fiber Builds and Uses in Each Other's Fiber Networks |                        |  |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input checked="" type="checkbox"/> County Attorney Review<br><input checked="" type="checkbox"/> Risk Management Review   | <b>FISCAL:</b>         | <input checked="" type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

**ORGANIZATIONAL VALUES:**

- ☒ **Customer Service:** We will deliver government services in a respectful, responsive, and solution-oriented manner
- ☐ **Communication:** We will always be clear about what we're doing and why we're doing it
- ☒ **Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- ☒ **Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- ☐ **Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- ☒ **Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- ☐ **Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

|  |  |
|--|--|
| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>   |
|  |  |
| <b>Approved:</b>                           | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b> |
| <b>Denied:</b>                             |  |
| <b>Tabled:</b>                             |  |
| <b>Other:</b>                              |  |
| <b>Deputy Clerk :</b>                      |  |
| <b>Date:</b>                               |  |

**Background/Justification:**

The purpose of this agenda item is to adopt Resolution No. 2020-111, Approving an Agreement with Carver County for a Third Addendum to the Existing Scott County-Carver County Agreement for Additional Joint Fiber Builds and Uses in Each Other's Fiber Networks.

On October 6, 2009, Scott County and Carver County entered into a Collaboration Agreement relating to their respective interests in obtaining fiber access to connect their facilities. On July 1, 2014, Scott County and Carver County executed an amendment (the "First Amendment") to the Agreement to extend their network services and then again on October 4, 2017, the two Counties executed another amendment (the "Second Amendment") to clarify allowed fiber uses in each other's fiber networks.

In this Addendum, the two Counties are extending their fiber uses in each other's fiber networks, to provide access to Carver County to additional fibers on Scott County's ring, to provide access to Scott County to additional fibers on Carver County's ring, and to allow use to specific locations throughout the respective fibers rings to be made available, if needed, as well as to provide space and power for equipment. Carver County is constructing a fiber project from Carver across County Highway 101 to the Scott County Government Center to improve the redundancy of its fiber network. As agreed in the 2nd Amendment, Carver County offered for Scott County to join in that joint use and will transfer twenty-four (24) strands of fiber to Scott County.

Scott County currently has an Advanced Traffic Management System (ATMS) project in the 2020 Transportation Improvement Program (TIP) to manage and improve its traffic signals system. Scott County is being allowed to leverage Carver County's construction project to construct laterals to traffic signals in downtown Shakopee along Carver County's planned fiber construction project. By working together and combining Carver County's planned build with the ATMS needs, Scott County will save approximately \$28,000 to \$48,000 in fiber construction costs.

Additionally, Scott County and Carver County will be allowing fiber use on each other's fiber networks to further enhance the redundancy of their respective 800 MHz Emergency communications systems.

This Agreement extends the relationship between Scott County and Carver County for the development, maintenance, and operation of both Counties' expanded optical fiber-based network within the State of Minnesota.

The Agreement further enables the joint and cooperative development of a robust communications network within Scott County and Carver County, and positions both Scott County and Carver County for improved partnerships with other governmental entities within the State. The resulting network will be managed by the State through its Information Technology Department. As a part of this Agreement:

Scott County will:

- Provide Carver County the use of a pair (2 strands) of fibers on the Jackson Tower laterals.
- Provide Carver County the use of a pair (2 strands) of fibers on the Jordan Tower laterals with any splicing and/or termination expenses paid for by Carver County.
- For no ongoing costs or fees, provide Carver County space and power within the Elko New Market, Jordan, and Jackson Tower site huts for Carver County equipment and to facilitate access to that equipment 24 hours a day and 7 days a week with 48 business hours advance notice. If an installation cost is incurred by Scott County to provide the space and power, Carver County agrees to reimburse Scott County for those costs.
- Provide Carver County the use of a pair (2 strands) of fibers from the Center in Shakopee to Mankato.
- Allow Carver County to construct and terminate a Carver County owned 48 count fiber cable into the Elko New Market and Jordan Tower site huts with any construction, splicing, and/or termination expenses paid for by Carver County. Carver will allow Scott County the use of a pair (2 strands) of fiber in these cable builds.
- Provide Carver County with the use of two pair (4 strands) of its fiber on main street in Belle Plaine.

Carver County will:

- Provide one pair (2 strands) of additional fibers on the Carver County ring to Scott County at no cost to Scott County except splicing and/or termination expenses which shall be paid for by Scott County.
- Provide Scott County the use of a pair (2 strands) of fiber into the Chanhassen, Norwood Young America, and Hollywood Tower site huts in a dual point of entry manner at no cost other than splicing and/or termination expenses being paid for by Scott County, that attaches to the two (2) strands of fiber previously provided to Scott County.
- Provide Scott County space and power within the Chanhassen, Norwood Young America, and Hollywood Tower site huts for Scott County equipment and to facilitate access to that equipment 24 hours a day and 7 days a week with 48 business hours advance notice. If an initial installation cost is incurred by Carver County to meet this request, Scott County agrees to reimburse Carver County for those costs.
- Provide Scott County the use of a pair (2 strands) of fiber into the Zayo Colocation Facility located at 713 E Church St. in Belle Plaine. Scott County is responsible for any cross connect, rack, or power fees for any Scott County connections put in place at this facility. Cross connect requests are required to be made through Carver County and will be charged back to Scott County at Carver County's cost.
- Upon completion of Carver's County Highway 101 Minnesota River Bridge build project, it will provide Scott County ownership of 24 strands of fiber, at no cost
- Install a minimum of a 96-count jointly owned Scott and Carver County fiber cable from the roundabout at County Road 69 and County Highway 101 south to the Scott County Government Center.
- Install three thirty-six (36) strand fiber laterals with conduit and associated handholes along the route in downtown Shakopee to three traffic signals for the Advance Traffic Management System.

The cost for this contract is \$32,400 for the Transportation Services fiber laterals to three traffic signals in downtown Shakopee that were planned as part of the ATMS Project in the 2020 TIP.

Fiscal Impact:

None – the 2020 TIP contains funding for the ATMS project.

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                |
|----------------------------------|----------------|
| <b>Date:</b>                     | August 4, 2020 |
| <b>Resolution No.:</b>           | 2020-111       |
| <b>Motion by Commissioner:</b>   |                |
| <b>Seconded by Commissioner:</b> |                |

**RESOLUTION NO. 2020-111; APPROVING AN AGREEMENT WITH CARVER COUNTY FOR A  
THIRD ADDENDUM TO THE EXISTING SCOTT COUNTY-CARVER COUNTY AGREEMENT FOR  
ADDITIONAL JOINT FIBER BUILDS AND USES IN EACH OTHER'S FIBER NETWORKS**

WHEREAS, on October 6, 2009, Scott County and Carver County entered into a Collaboration Agreement relating to their respective interests in obtaining fiber access to connect their facilities; and

WHEREAS, on July 1, 2014, Scott County and Carver County executed an amendment (the "First Amendment") to the Agreement; and

WHEREAS, on October 4, 2017, Scott County and Carver County executed an amendment (the "Second Amendment") to the Agreement; and

WHEREAS, as part of the Agreement and the First Amendment and the Second Amendment Scott County expressed its willingness to provide access to Carver County to fibers on its ring, and

WHEREAS, Carver County expressed its willingness to provide access to Scott County to fibers on its ring, and

WHEREAS, Scott County identified specific locations throughout the fibers on its ring to be made available if needed to provide space and power for equipment, and

WHEREAS, Carver County identified specific locations throughout the fibers on its ring to be made available if needed to provide space and power for equipment, and

WHEREAS, Carver County is constructing a fiber project to improve the redundancy of their fiber network between the two Counties, and

WHEREAS, under the Second Amendment, each Party agreed to offer joint use and build opportunities to the other when appropriate, and

WHEREAS, Scott County desires to implement an Advanced Traffic Management System to manage and improve its traffic signals system and can leverage Carver County's construction project to construct laterals to traffic signals in downtown Shakopee along Carver County's planned fiber construction project, and

WHEREAS, Scott County and Carver County also desire to assist each other in enhancing the redundancy of their respective 800 MHz Emergency communications systems, and

WHEREAS, Carver County desires to improve its fiber regeneration along Scott County's fiber ring.

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                |
|----------------------------------|----------------|
| <b>Date:</b>                     | August 4, 2020 |
| <b>Resolution No.:</b>           | 2020-111       |
| <b>Motion by Commissioner:</b>   |                |
| <b>Seconded by Commissioner:</b> |                |

NOW THEREFORE BE IT RESOLVED, the Scott County Board of Commissioners authorizes the County Administrator to enter into an Agreement for \$32,400 with Carver County for the construction of the laterals needed for the Advanced Traffic Management System; and

BE IT FURTHER RESOLVED, the Scott County Board of Commissioners authorizes the County Administrator to enter into the Third Addendum to the existing Scott County – Carver County agreement for additional joint fiber builds and uses in each other's fiber networks; and

BE IT FINALLY RESOLVED, that approval of the Agreement is subject to approval by the County Attorney's Office as to form.

| <b>COMMISSIONERS</b> | <b>VOTE</b>   |
|----------------------|---|
| Weckman Brekke       | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Wolf                 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beard                | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beer                 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Ulrich               | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |

**State of Minnesota)**

**County of Scott    )**

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 4<sup>th</sup> day of August, 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 4<sup>th</sup> day of August 2020.

\_\_\_\_\_

County Administrator

\_\_\_\_\_

Administrator's Designee

**AGENDA # 6.7**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: AUGUST 4, 2020**

|                                |  |                        |   |
|--------------------------------|--|------------------------|---|
| <b>ORIGINATING DIVISION:</b>   | Administration   | <b>CONSENT AGENDA:</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                     |
| <b>ORIGINATING DEPARTMENT:</b> |  |                        |   |
| <b>PRESENTER:</b>              | Freese/Harder  | <b>ATTACHMENTS:</b>    | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                     |
| <b>PROJECT:</b>                | COVID 19   | <b>TIME REQUESTED:</b> |   |
| <b>ACTION REQUESTED:</b>       | Adopt Resolution 2020-113; Authorizing Development of a Business Assistance Program, Entering into a Sub-Recipient Agreement With the Scott County Community Development Agency to Administer on behalf of Scott County, and Utilizing \$5.5 Million from the CARES Act Special Revenue Fund |                        |   |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review   | <b>FISCAL:</b>         | <input checked="" type="checkbox"/> Finance Review<br><input checked="" type="checkbox"/> Budget Change |

**ORGANIZATIONAL VALUES:**

- ☒ **Customer Service:** We will delivery government services in a respectful, responsive, and solution-oriented manner
- ☒ **Communication:** We will always be clear about what we're doing and why we're doing it
- ☒ **Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- ☒ **Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- ☒ **Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- ☒ **Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- ☐ **Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

|  |  |
|--|--|
| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>   |
|  |  |
| <b>Approved:</b>                           | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b> |
| <b>Denied:</b>                             |  |
| <b>Tabled:</b>                             |  |
| <b>Other:</b>                              |  |
| <b>Deputy Clerk:</b>                       |  |
| <b>Date:</b>                               |  |

**Background/Justification:**

The purpose of this agenda items is to adopt Resolution 2020-113; authorizing the development of a Business Assistance Program, entering into a Sub-Recipient Agreement With the Scott County Community Development Agency (CDA) to Administer on behalf of Scott County, and utilizing \$5.5 Million from the from the CARES Act Special Revenue Fund.



Since early 2020, Scott County has been impacted by an outbreak of a respiratory disease caused by a novel coronavirus that has been detected across the world, including in Minnesota.

- On March 11, the World Health Organization declared COVID-19 as a pandemic.
- On March 13, the President of the United States declared a national emergency for the COVID-19 pandemic.
- On March 13, the Governor of Minnesota declared a peacetime emergency due to the COVID-19 pandemic.
- On March 17, 2020, the Scott County Board of Commissioners declared a local state of emergency due to the COVID-19 pandemic.

On March 27, 2020, the Federal Government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provides over \$2 trillion in federal economic relief to protect the American people from the public health and economic impacts of COVID-19. Part of those funds were sent to states for local allocation and disbursement.

Minnesota Governor Tim Walz, through executive authority and a legislative review committee, allocated and dispersed a portion of Minnesota's CARES Act funds as Local Government Assistance based on population targets to counties, cities and townships throughout the state. Scott County has received \$17,719,998.

The funds may be spent by the local agencies to offset public health and economic impacts of COVID-19. In order to be eligible for the funding expenditures must pass a three-step test:

1. Expenses must be necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)
2. They must be costs that were not accounted for in the budget most recently approved as of March 27, 2020
3. Performance or delivery must occur during the covered period, but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred.) The County deadline is 12/1/2020.

To assist in understanding eligible expenses, the United States Department of the Treasury published two documents: *Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated June 30, 2020* ("Guidance"); and *Coronavirus Relief Fund Frequently Asked Questions Updated as of July 8, 2020* ("Frequently Asked Questions").

All CARES Act Funds are subject to State and Federal audit for use of the funds. This means that any subrecipients of CARES Funds from the County must also meet audit requirements.

The Scott County Board of Commissioners met in a workshop on July 7, 2020 to discuss and reiterated at their County Board meeting on July 21, 2020, their goals for allocation of the County's CARES funds. The County Board indicated that local business support was their highest priority with housing security, food security, nonprofit support, school support, and rural broadband also being priorities. The goals behind this focus are:

- Keeping employees working or getting residents working again;
- Filling in gaps that unemployment insurance (+ stimulus), Payroll Protection Program (PPP) and other programs didn't serve;
- Helping businesses, organizations, and residents most harmed by the pandemic;
- Providing support to business that can sustain and grow the economy;
- Supporting operational changes to keep businesses operating during the pandemic;
- Providing food support for families at risk in the short term;
- Targeting rental and mortgage programs to those in need not covered by State;
- Supporting distance learning; and
- Supporting childcare for essential employees.

On August 4, 2020, the Scott County Board of Commissioners will consider passing a resolution approving the establishment of a Special Revenue Fund for the CARES Act funds.

Since the peacetime emergency was declared, the number of Scott County residents unemployed have reached unprecedented levels. Between March 17, 2020 and July 15, 2020, Scott County had 24,754 residents file for Unemployment Insurance in Scott County. This represents 29.6% of the 2019 labor force of Scott County and is an indication of the hardships created by the COVID 19 Virus. This is a direct indication of the impact COVID 19 has had on the County's business community.

The Scott County Board of Commissioners has made Business support the highest priority for the County's CARES Act relief funds. They indicated a target amount of \$5.5 million. The rationale behind this focus is keeping employees working or to get residents working again. Scott County businesses that continue to employ people means families can meet housing and basic needs for their families.

The Board has targeted the below business types for assistance. Scott County has approximately:

- 3,269 businesses with less than 50 employees
- 295 in-home licensed day care providers
- 740 Farms (2017 census) and half are over 50 acres.

In alignment with the Board's direction, the Business Assistance program will focus first on aiding businesses not served by the Payroll Protection Program (PPP) and other Coronavirus relief programs administered by state and federal agencies. The Board provided some high-level guidance in development of this program:

- prioritize funding allocations that would get people back to work\ keep employees on the payroll
- help them pay their rent or mortgage
- help employment sectors hit hardest by the response to the pandemic
- support businesses that can sustain and grow the local economy.
- Costs to modify operations as needed to remain open

After those businesses are assisted, remaining funds would be used to assist previously aided business with documented losses exceeding the prior aid received. It should be noted that several Scott County cities are also working through the CDA to fund additional assistance business grants and all these efforts will be coordinated so that funding can assist the maximum number of businesses in the County.

To administer this program, staff is recommending that we utilize our partnership with the Scott County CDA and contract with the CDA for the administration of the Scott County CARES Business Assistance program. The CDA has developed and launched a similar Business Assistance Program with the technical assistance of NextStage, a local non-profit corporation, focused on providing support, training and financing assistance to Twin Cities metro area entrepreneurs through their planning, start-up and growth phases. NextStage Business Advisors will be responsible for the application review process. NextStage has already assisted Hennepin County in the administration of their CARES Business Assistance program and is working with other metro counties as well.

The CDA would be allocated up to 4% of the funds utilized to pay for expenses associated with the management of the program including contracting with Nextstage to administer the grant application process and compliance requirements with the business recipients. At its discretion, the CDA may use some of these funds to contract with Chambers and other business organizations to provide application support as well.

Initial funding targets for the business assistance program are as follows:

|  |               |
|--|---------------|
| Sole Proprietors & Small Business (< 50 employees) | \$ 3,500,000. |
| In Home Licensed Day Care providers                | \$ 1,000,000. |
| Farm Operations                                    | \$ 700,000    |
| Work Force Development                             | \$ 50,000     |

There have been several agricultural relief packages passed or in process. If it is determined that County Cares Funding is not needed to distribute to farm operations the funds will be redirected to the Small Business Assistance program. Similarly, the State of Minnesota has authorized several Day Care programs of which again, funds cannot be duplicated.

The applications will be solicited during August 2020 with grant recipients being notified as early as September. If needs are greater in one category than another, the agreement provides flexibility for Scott County Administration to assist with adjusting the funding targets in these business focus areas. The contract requires that all grant agreements be executed with the business recipients and funding dispersed by November 1, 2020.

The work force development funding will be used by Scott County work force staff to assist unemployed and underemployed residents to connect with resources and overcome barriers to their job seeking (i.e. interview clothing, computer and internet access, transportation costs, etc.)

The recent Frequently Asked Questions (FAQ) for the U.S. Treasury Department indicates this is an eligible program meeting the three-question test for CARES funds investment. Besides those three questions the FAQ specifically calls out the following are eligible for CARES funds.

- Grants to small businesses to reimburse the costs of business interruption caused by required closures.
  - Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need. A grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure.

**Fiscal Impact:** Scott County has received \$17,719,998 in CARES relief funds. By a different resolution on August 4, 2020 a CARES Act Special Revenue Fund is intended to be created, the County Budget amended, and the funds deposited. The \$5.5 million for the Small Business Program will utilize these funds and has no impact on the Scott County operating budget.

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                |
|----------------------------------|----------------|
| <b>Date:</b>                     | August 4, 2020 |
| <b>Resolution No.:</b>           | 2020-113       |
| <b>Motion by Commissioner:</b>   |                |
| <b>Seconded by Commissioner:</b> |                |

**ADOPT RESOLUTION 2020-113; AUTHORIZING DEVELOPMENT OF A BUSINESS ASSISTANCE PROGRAM, ENTERING INTO A SUB-RECIPIENT AGREEMENT WITH THE SCOTT COUNTY COMMUNITY DEVELOPMENT AGENCY TO ADMINISTER ON BEHALF OF SCOTT COUNTY AND UTILIZING \$5.5 MILLION FROM THE CARES ACT SPECIAL REVENUE FUND**

WHEREAS, COVID-19, a global pandemic has caused a public health emergency at all levels of government in the United States; and

WHEREAS, response and support to affected individuals, communities, medical systems, business, and government has caused significant impact to the County as a whole; and

WHEREAS, COVID-19, has caused and will continue to cause increased service needs on County functions and additional work for staff; and

WHEREAS, COVID-19 has had significant impacts on the businesses and residents of Scott County; and

WHEREAS, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed on March 27, 2020, provides over \$2 trillion in federal economic relief to protect the American people from the public health and economic impacts of COVID-19; and

WHEREAS, Governor Tim Walz on June 26, 2020 formally allocated funding for counties, cities, and townships in the State of Minnesota, to provide support and economic relief on a local level, with Scott County receiving \$17,719,998 from the CARES Act; and

WHEREAS, at its work session on July 7, 2020 the Scott County Board discussed their priorities for dissemination of the funds and affirmed their direction during the July 21<sup>st</sup> board meeting; and

WHEREAS, the Federal CARES Act funds are subject to State and Federal spending requirements and subject to State and Federal Audit; and

WHEREAS, the Scott County Board of Commissioners has been presented and has approved a plan for the use of the County's allocation; and

WHEREAS, the Scott County Board of Commissioners desire the funds to be accounted for in a manner that will demonstrate full compliance with Federal requirements and guidance; and

WHEREAS, in consideration of the fact that between March 17, 2020 and July 15, 2020, Scott County had 24,754 residents file for Unemployment Insurance in Scott County; and

WHEREAS, this represents 29.6% of the 2019 labor force of Scott County and is an indication of the impact COVID 19 has had on the County's business community; and

WHEREAS, Scott County has approximately:

- 3,269 businesses with less than 50 employees
- 295 in home licensed day care providers
- 740 Farms (2017 census) and half are over 50 acres; and

WHEREAS, utilizing the CARES funding for the Business Assistance Program is a top priority of the Scott County Board, and the Commissioners directed staff to prioritize funding allocations that would get people back to work; help them pay their rent or mortgage; help employment sectors hit hardest by the response to the pandemic; and support businesses that can sustain and grow the local economy.

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                |
|----------------------------------|----------------|
| <b>Date:</b>                     | August 4, 2020 |
| <b>Resolution No.:</b>           | 2020-113       |
| <b>Motion by Commissioner:</b>   |                |
| <b>Seconded by Commissioner:</b> |                |

WHEREAS, building on the staff resources and expertise within the Scott County Community Development Agency (CDA) for economic development and their existing contract with NextStage, on a smaller business assistance program, the County wishes to enter into an agreement for the administration of this program that is designed to meet the County Board's priorities; and

WHEREAS, The County Board desires to support small businesses, including day cares and farmers, that have not received funding or have losses that exceed the funding they have received from the state and federal programs to reduce impacts of the pandemic by establishing a business assistance program with a portion of the County's CARES funding; and

WHEREAS, as initial targets the board is requesting that the CDA solicit and distribute for funding are:

- Sole Proprietors & Small Business (< 50 employees)                      \$ 3,500,000.
- In Home Licensed Day Care providers    \$ 1,000,000.
- Farm Operations    \$ 700,000

WHEREAS, If needs are greater in one category than another, the agreement provides flexibility for Scott County Administration to assist with adjusting the funding targets in these business focus areas; and

WHEREAS, the County Board has determined the Business Assistance Program is a necessary and reasonable response to the COVID-19 Pandemic, and therefore eligible for use of CARES ACT Funds.

WHEREAS, at a County Board meeting on July 21, 2020 the Board reviewed and determined the County's plan for directing CARES funds to the Business Assistant Program and has determined that due to the COVID-19 public health emergency is a necessary and reasonable response to the COVID-19 Pandemic, and there eligible for use of CARES Act Funds; and

WHEREAS, the County Board also directed the allocation of \$50,000 from the CARES Special Revenue Fund to work force development needs to assist the unemployed/underemployed residents of Scott County with resources and assistance to overcome barriers to job seeking; and

WHEREAS, The Scott County COVID-19 Business Recovery Program Guidelines have been developed and are hereby incorporated as attachment A of this resolution; and

WHEREAS, the County's plan is consistent with the United States Department of the Treasury's "Coronavirus Relief Fund Guidance to State attached and hereby incorporated as attachment B, Territorial, Local, and Tribal Governments Updated June 30, 2020" and "Coronavirus Relief Fund Frequently Asked Questions Updated As of July 8, 2020 attached and hereby incorporated as attachment C".

**NOW THEREFORE BE IT RESOLVED**, the Scott County Board of Commissioners establishes a Business Assistance Program utilizing up to \$5.5 million of the Coronavirus Aid Relief and Economic Security (CARES) Act Funds allocated to Scott County;

**BE IT FURTHER RESOLVED**, that the County Board's direction is the Business Assistance Program include in-home day care providers, small businesses, sole proprietors and farm operators in Scott County and that priority assistance be given to needs unmet by other CARES related assistance programs; and

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                |
|----------------------------------|----------------|
| <b>Date:</b>                     | August 4, 2020 |
| <b>Resolution No.:</b>           | 2020-113       |
| <b>Motion by Commissioner:</b>   |                |
| <b>Seconded by Commissioner:</b> |                |

**BE IT FURTHER RESOLVED**, that the Scott County Board of Commissioners does hereby establish the following overall program requirements:

- Reimburse the costs of business interruption caused by required closures or costs incurred by small businesses to respond to the pandemic, including costs for changes that are necessary to operate safely under the public health guidelines.
- Grants limits, based on economic injury from COVID-19 and eligible expenses, are as follows:
  - Licensed family childcare providers will receive up to \$4,500
  - Self-employed entrepreneurs that have no employees and have a physical location for their business in Scott County other than their personal residence up to \$7,500.
  - Small businesses up to \$15,000
  - Local for-profit farming operations up to \$25,000
- The business must demonstrate a significant loss in revenue since March 15, 2020.
- The business must be physically located in in Scott County.

**BE IT FURTHER RESOLVED**, the Board authorize the Chair and the County Administrator to enter into a Sub-Recipient Agreement with the Scott County Community Development Agency (CDA) to Administer the Business Assistance Program on behalf of Scott County; and

**BE IT FURTHER RESOLVED**, the Board provides the County Administrator the flexibility to amend the target amounts based on the actual community response and need; and

**BE IT FINALLY RESOLVED**, that approval of the Agreement is subject to approval by the County Attorney's Office as to form.

| COMMISSIONERS  | VOTE  |
|----------------|---|
| Weckman Brekke | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Wolf           | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beard          | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beer           | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Ulrich         | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |

State of Minnesota)

County of Scott    )

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 4<sup>th</sup> day of August, 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 4<sup>th</sup> day of August, 2020.

\_\_\_\_\_

County Administrator

\_\_\_\_\_

Administrator's Designee



# SCOTT COUNTY COVID-19 BUSINESS RECOVERY PROGRAM GUIDELINES

A recovery fund to support and assist local small businesses adversely impacted by the COVID-19 pandemic



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## SCOTT COUNTY COVID-19 RECOVERY PROGRAM GUIDELINES

The Scott County Board of Commissioners has allocated \$5.5 million to support local small businesses that have had financial hardship as a result of the COVID-19 pandemic, specifically targeting local businesses who have not received assistance from other pandemic related programs and businesses who have impacts that have exceeded other assistance received.

The local business assistance is being offered through the following target areas:

- |  |                             |
|--|-----------------------------|
| (1) Licensed in-home childcare providers | Target Funding: \$1,000,000 |
| (2) Small for-profit businesses          | Target Funding: \$3,500,000 |
| (3) For-profit farming operations.       | Target Funding: \$ 700,000  |

Scott County, in collaboration with the Scott County Community Development Agency (CDA), are working with NextStage (Program Administrator), a local non-profit business, to collect and review the applications, and award program grants. This initiative is being funded by Scott County's allocation from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Scott County COVID-19 Recovery Program may **NOT** be used for the same expenses that were paid with funds from other COVID-19 related business assistance grant programs, including (but not limited to) the following:

- SBA Paycheck Protection Program (PPP)
- Economic Injury Disaster Loan (EIDL)
- Pandemic Unemployment Assistance (PUA)
- State of Minnesota Department of Employment and Economic Development (DEED) - Small Business Emergency Loan Fund (SBEL) or Minnesota Small Business Relief Grants
- State of Minnesota Peacetime Emergency Childcare Grants
- Local Scott County CDA, city, or township grants

For all the target area programs, funds can only be used for Federal CARES Act eligible COVID-19 related or incurred public health emergency business operating expenses, including expenses related to reopening as approved by NextStage, Scott County and the Scott County CDA.



## Licensed In-Home Child Care Provider Terms and Eligibility

Scott County stands in support of our childcare providers who provide a critical service in our community and play a key role in our economy, enabling other residents in our community to continue working and/or return to work.

Licensed in-home childcare providers is one area of focus within the Scott County COVID-19 Recovery Program, with prioritization to providers who have not received previous assistance from the state of Minnesota Peacetime Emergency Child Care Grants.

**Benefits available to Scott County in-home childcare providers under the program include:**

- Licensed family childcare providers will receive up to \$4,500 for eligible expenses and cost of business interruption incurred from March 1, 2020 through June 15, 2020.

## Eligible Day Care Providers

- Must be a licensed family childcare provider in Scott County as of March 1, 2020.
- Must be in good standing and they must not have been found responsible for fraud.
- Must not be operating on a conditional license, under revocation, or under temporary immediate suspension.
- Must not be prohibited from receiving public funds under MN Statute 245.095, which requires that any provider, vendor, or individual be excluded from receiving grant funds if excluded from another DHS program.
- Must demonstrate a direct financial impact to their business due to the COVID-19 pandemic.
- Eligible expenses may include costs associated with business interruption, claimed work space, supplies directly related to the COVID-19 pandemic, or other critical business expenses as approved by the fund administrator.

Applicants will be asked for documentation demonstrating a direct financial impact to their childcare business due to the COVID-19 pandemic.

**As noted earlier, Scott County COVID-19 Recovery Program may NOT be used for the same expenses that were paid with funds from other COVID-19 related business assistance grant programs.** Childcare providers who have qualified for and received Pandemic Unemployment Assistance (PUA) will be asked to report the total amount of PUA received between March 1, 2020 and June 15, 2020. A summary of other COVID-19 pandemic assistance/funding received will also be requested.



Upon notice of an approved application, applicants are required to submit the following **within 5 business days**:

- Evidence of revenue loss related to the COVID 19 emergency. Applicant should submit documentation that best demonstrates the impact and/or cost of business interruption and is deemed acceptable to Program Administrator. Some examples of acceptable documentation include:
  - 2019 Business Tax Return - Schedule C and Schedule SE if applicable.
  - Bank statements showing changed income from January-March and then March-June
  - Attendance records, if available
  - Monthly reports from their business accounting software that shows changes from January-March and then March-June.
- Any additional documentation or information deemed necessary by the fund administrator to determine eligibility, generate grant documents, disburse grant proceeds, or meet program reporting requirements.
- Failure to submit required documentation will result in forfeiture of grant award.

## Application Process for Scott County In-Home Childcare Providers

- All eligible licensed in-home family childcare providers in Scott County will receive an email with a link to the application. Emails will be sent to the license holder for family childcare providers. Providers will have the option to decline the funds if they do not want to receive them.
- Scott County childcare providers can apply for the funding starting at **8 a.m. on Wednesday, August 19 Applications are due by 5 p.m. Thursday, August 27.**
- The fund administrator, NextStage, will notify approved applicants by email on or before September 4, 2020.

**Note:** Scott County and/or the Scott County CDA reserves the right to revise these guidelines as needed to best address the impact of the current pandemic.



## Small Business Terms and Eligibility

The small business focus area aims to provide emergency recovery support to small local businesses and for-profit farming operations in Scott County adversely impacted by the closures/restrictions that were imposed due to the COVID-19 pandemic. Providing this support is intended to aid in the ability of a small business with a physical location in Scott County to survive and rebound from the current pandemic crisis and help prevent business closures, job losses and potential future blight scenarios. Funds will help businesses pay for critical expenses such as current payroll obligations, rent payments, mortgage payments, utilities, payments to suppliers, and costs to comply with public health requirements as a result of the COVID-19 pandemic.

### **Benefits available to Scott County small businesses under the program include:**

- Up to \$7,500 for self-employed entrepreneurs that have no employees and have a physical location for their business in Scott County other than their personal residence.
- Up to \$15,000 grant for small businesses based on economic injury from COVID-19 and eligible expenses.
- Up to \$25,000 grant for local for-profit farming operations based on economic injury from COVID-19 and eligible expenses.

## Eligible Small Businesses and For-Profit Farming Operations

- Must be a locally owned and operated for-profit business, including for-profit farming operations, with a physical establishment in Scott County
- Must employ the equivalent of 50 or fewer full-time workers.
- Must be licensed, in good standing with the Minnesota Secretary of State and Minnesota Department of Revenue as of March 1, 2020.
- Must be in good standing with Scott County and the city where the business is located.
- Must demonstrate a significant loss in revenue or financial hardship since March 15 as a result of the COVID-19 pandemic (no credit score or collateral requirements apply)



Certain businesses are ineligible, including:

- Home-based businesses; those without a separate physical establishment in Scott County
- Non-profit, religious, or member-based organizations
- Corporate owned chains; however, locally owned franchise businesses are eligible
- Businesses in default conditions prior to February 29, 2020
- Businesses that primarily derive income from gambling,
- Businesses that derive any income from adult entertainment
- Businesses that primarily sell pawned merchandise, guns, tobacco or vaping products
- Businesses that derive income from passive investments; business-to-business transactions; real estate transactions; property rentals or property management; billboards; or lobbying

Applicants will be asked for documentation demonstrating a direct financial impact to their business due to the COVID-19 pandemic.

As noted earlier, Scott County COVID-19 Recovery Program may **NOT** be used for the same expenses that were paid with funds from other COVID-19 related business assistance grant programs and must be compliant with Federal CARES Act regulations and US Treasury Guidance.

Upon notice of an approved application, applicants are required to submit the following **within 5 business days**:

- 2019 Federal Business Tax Return or appropriate Business Tax Schedule - based on entity type. Businesses that have not yet completed a 2019 Federal Return are eligible to apply and substitute other documentation of revenue.
- Evidence of revenue loss related to the COVID 19 emergency. Applicant should submit documentation that best demonstrates the impact and is deemed acceptable to Program Administrator. Some examples of acceptable documentation include comparable-period Sales Tax Reporting, Period Statements from 3<sup>rd</sup>-party Sales Platforms, Merchant Services Statements, and Point of Sale or Register reports.
- Evidence of employment prior to March 1<sup>st</sup>, 2020. Acceptable documentation may include period reporting from a 3<sup>rd</sup>-party payroll processor, applicant's Federal Form 941/Employer's Quarterly Federal Tax Return, or other State or Federal payroll-related filing.
- Any additional documentation or information deemed necessary by the fund administrator to determine eligibility, generate grant documents, disburse grant proceeds, or meet program reporting requirements.
- Failure to submit required documentation will result in forfeiture of funding award.





## Application Process for Small Businesses and For-Profit Farming Operations

- Applications will be accepted starting at **8 a.m. on Wednesday, August 19**  
**Applications are due by 5 p.m. Thursday, August 27.**
- Application link can be found at: [Put website information link here](#)
- If applications exceed the funding available, the fund administrator will select grant recipients using a lottery system.
- The fund administrator, NextStage, will notify approved applicants by email on or before September 4, 2020.

**Note:** Scott County and/or the Scott County CDA reserves the right to revise these guidelines as needed to best address the impact of the current pandemic.

## Attachment B

### **Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments Updated June 30, 2020<sup>1</sup>**

The purpose of this document is to provide guidance to recipients of the funding available under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). The CARES Act established the Coronavirus Relief Fund (the “Fund”) and appropriated \$150 billion to the Fund. Under the CARES Act, the Fund is to be used to make payments for specified uses to States and certain local governments; the District of Columbia and U.S. Territories (consisting of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands); and Tribal governments.

The CARES Act provides that payments from the Fund may only be used to cover costs that—

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.<sup>2</sup>

The guidance that follows sets forth the Department of the Treasury’s interpretation of these limitations on the permissible use of Fund payments.

#### ***Necessary expenditures incurred due to the public health emergency***

The requirement that expenditures be incurred “due to” the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

The statute also specifies that expenditures using Fund payments must be “necessary.” The Department of the Treasury understands this term broadly to mean that the expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending Fund payments.

#### ***Costs not accounted for in the budget most recently approved as of March 27, 2020***

The CARES Act also requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either (a) the

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<sup>1</sup> This version updates the guidance provided under “Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020”.

<sup>2</sup> See Section 601(d) of the Social Security Act, as added by section 5001 of the CARES Act.

cost cannot lawfully be funded using a line item, allotment, or allocation within that budget or (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

The “most recently approved” budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

***Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020***

Finally, the CARES Act provides that payments from the Fund may only be used to cover costs that were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020 (the “covered period”). Putting this requirement together with the other provisions discussed above, section 601(d) may be summarized as providing that a State, local, or tribal government may use payments from the Fund only to cover previously unbudgeted costs of necessary expenditures incurred due to the COVID-19 public health emergency during the covered period.

Initial guidance released on April 22, 2020, provided that the cost of an expenditure is incurred when the recipient has expended funds to cover the cost. Upon further consideration and informed by an understanding of State, local, and tribal government practices, Treasury is clarifying that for a cost to be considered to have been incurred, performance or delivery must occur during the covered period but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred). For instance, in the case of a lease of equipment or other property, irrespective of when payment occurs, the cost of a lease payment shall be considered to have been incurred for the period of the lease that is within the covered period, but not otherwise.

Furthermore, in all cases it must be necessary that performance or delivery take place during the covered period. Thus the cost of a good or service received during the covered period will not be considered eligible under section 601(d) if there is no need for receipt until after the covered period has expired.

Goods delivered in the covered period need not be used during the covered period in all cases. For example, the cost of a good that must be delivered in December in order to be available for use in January could be covered using payments from the Fund. Additionally, the cost of goods purchased in bulk and delivered during the covered period may be covered using payments from the Fund if a portion of the goods is ordered for use in the covered period, the bulk purchase is consistent with the recipient’s usual procurement policies and practices, and it is impractical to track and record when the items were used. A recipient may use payments from the Fund to purchase a durable good that is to be used during the current period and in subsequent periods if the acquisition in the covered period was necessary due to the public health emergency.

Given that it is not always possible to estimate with precision when a good or service will be needed, the touchstone in assessing the determination of need for a good or service during the covered period will be reasonableness at the time delivery or performance was sought, e.g., the time of entry into a procurement contract specifying a time for delivery. Similarly, in recognition of the likelihood of supply chain disruptions and increased demand for certain goods and services during the COVID-19 public health emergency, if a recipient enters into a contract requiring the delivery of goods or performance of services by December 30, 2020, the failure of a vendor to complete delivery or services by December 30, 2020, will not affect the ability of the recipient to use payments from the Fund to cover the cost of such goods or services if the delay is due to circumstances beyond the recipient’s control.

This guidance applies in a like manner to costs of subrecipients. Thus, a grant or loan, for example, provided by a recipient using payments from the Fund must be used by the subrecipient only to purchase (or reimburse a purchase of) goods or services for which receipt both is needed within the covered period and occurs within the covered period. The direct recipient of payments from the Fund is ultimately responsible for compliance with this limitation on use of payments from the Fund.

#### *Nonexclusive examples of eligible expenditures*

Eligible expenditures include, but are not limited to, payment for:

1. Medical expenses such as:
  - COVID-19-related expenses of public hospitals, clinics, and similar facilities.
  - Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
  - Costs of providing COVID-19 testing, including serological testing.
  - Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
  - Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
2. Public health expenses such as:
  - Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
  - Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
  - Expenses for disinfection of public areas and other facilities, *e.g.*, nursing homes, in response to the COVID-19 public health emergency.
  - Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
  - Expenses for public safety measures undertaken in response to COVID-19.
  - Expenses for quarantining individuals.
3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:
  - Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
  - Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
  - Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.

- Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
  - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
  - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
    - Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
    - Expenditures related to a State, territorial, local, or Tribal government payroll support program.
    - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
  6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

*Nonexclusive examples of ineligible expenditures<sup>3</sup>*

The following is a list of examples of costs that would *not* be eligible expenditures of payments from the Fund.

1. Expenses for the State share of Medicaid.<sup>4</sup>
2. Damages covered by insurance.
3. Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
5. Reimbursement to donors for donated items or services.
6. Workforce bonuses other than hazard pay or overtime.
7. Severance pay.
8. Legal settlements.

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<sup>3</sup> In addition, pursuant to section 5001(b) of the CARES Act, payments from the Fund may not be expended for an elective abortion or on research in which a human embryo is destroyed, discarded, or knowingly subjected to risk of injury or death. The prohibition on payment for abortions does not apply to an abortion if the pregnancy is the result of an act of rape or incest; or in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed. Furthermore, no government which receives payments from the Fund may discriminate against a health care entity on the basis that the entity does not provide, pay for, provide coverage of, or refer for abortions.

<sup>4</sup> See 42 C.F.R. § 433.51 and 45 C.F.R. § 75.306.

Attachment C  
**Coronavirus Relief Fund  
Frequently Asked Questions  
Updated as of July 8, 2020**

The following answers to frequently asked questions supplement Treasury's Coronavirus Relief Fund ("Fund") Guidance for State, Territorial, Local, and Tribal Governments, dated April 22, 2020, ("Guidance").<sup>1</sup> Amounts paid from the Fund are subject to the restrictions outlined in the Guidance and set forth in section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act").

**Eligible Expenditures**

***Are governments required to submit proposed expenditures to Treasury for approval?***

No. Governments are responsible for making determinations as to what expenditures are necessary due to the public health emergency with respect to COVID-19 and do not need to submit any proposed expenditures to Treasury.

***The Guidance says that funding can be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. How does a government determine whether payroll expenses for a given employee satisfy the "substantially dedicated" condition?***

The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

***The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a "substantially different use" for purposes of the Fund eligibility?***

Costs incurred for a "substantially different use" include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty's ordinary responsibilities.

Note that a public function does not become a "substantially different use" merely because it is provided from a different location or through a different manner. For example, although developing online instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.

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<sup>1</sup> The Guidance is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.



***May a State receiving a payment transfer funds to a local government?***

Yes, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act. Such funds would be subject to recoupment by the Treasury Department if they have not been used in a manner consistent with section 601(d) of the Social Security Act.

***May a unit of local government receiving a Fund payment transfer funds to another unit of government?***

Yes. For example, a county may transfer funds to a city, town, or school district within the county and a county or city may transfer funds to its State, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, a transfer from a county to a constituent city would not be permissible if the funds were intended to be used simply to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.

***Is a Fund payment recipient required to transfer funds to a smaller, constituent unit of government within its borders?***

No. For example, a county recipient is not required to transfer funds to smaller cities within the county's borders.

***Are recipients required to use other federal funds or seek reimbursement under other federal programs before using Fund payments to satisfy eligible expenses?***

No. Recipients may use Fund payments for any expenses eligible under section 601(d) of the Social Security Act outlined in the Guidance. Fund payments are not required to be used as the source of funding of last resort. However, as noted below, recipients may not use payments from the Fund to cover expenditures for which they will receive reimbursement.

***Are there prohibitions on combining a transaction supported with Fund payments with other CARES Act funding or COVID-19 relief Federal funding?***

Recipients will need to consider the applicable restrictions and limitations of such other sources of funding. In addition, expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds, are not eligible uses of Fund payments.

***Are States permitted to use Fund payments to support state unemployment insurance funds generally?***

To the extent that the costs incurred by a state unemployment insurance fund are incurred due to the COVID-19 public health emergency, a State may use Fund payments to make payments to its respective state unemployment insurance fund, separate and apart from such State's obligation to the unemployment insurance fund as an employer. This will permit States to use Fund payments to prevent expenses related to the public health emergency from causing their state unemployment insurance funds to become insolvent.

***Are recipients permitted to use Fund payments to pay for unemployment insurance costs incurred by the recipient as an employer?***

Yes, Fund payments may be used for unemployment insurance costs incurred by the recipient as an employer (for example, as a reimbursing employer) related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.

***The Guidance states that the Fund may support a “broad range of uses” including payroll expenses for several classes of employees whose services are “substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” What are some examples of types of covered employees?***

The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020.

***In some cases, first responders and critical health care workers that contract COVID-19 are eligible for workers’ compensation coverage. Is the cost of this expanded workers compensation coverage eligible?***

Increased workers compensation cost to the government due to the COVID-19 public health emergency incurred during the period beginning March 1, 2020, and ending December 30, 2020, is an eligible expense.

***If a recipient would have decommissioned equipment or not renewed a lease on particular office space or equipment but decides to continue to use the equipment or to renew the lease in order to respond to the public health emergency, are the costs associated with continuing to operate the equipment or the ongoing lease payments eligible expenses?***

Yes. To the extent the expenses were previously unbudgeted and are otherwise consistent with section 601(d) of the Social Security Act outlined in the Guidance, such expenses would be eligible.

***May recipients provide stipends to employees for eligible expenses (for example, a stipend to employees to improve telework capabilities) rather than require employees to incur the eligible cost and submit for reimbursement?***

Expenditures paid for with payments from the Fund must be limited to those that are necessary due to the public health emergency. As such, unless the government were to determine that providing assistance in the form of a stipend is an administrative necessity, the government should provide such assistance on a reimbursement basis to ensure as much as possible that funds are used to cover only eligible expenses.

***May Fund payments be used for COVID-19 public health emergency recovery planning?***

Yes. Expenses associated with conducting a recovery planning project or operating a recovery coordination office would be eligible, if the expenses otherwise meet the criteria set forth in section 601(d) of the Social Security Act outlined in the Guidance.

***Are expenses associated with contact tracing eligible?***

Yes, expenses associated with contract tracing are eligible.

***To what extent may a government use Fund payments to support the operations of private hospitals?***

Governments may use Fund payments to support public or private hospitals to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency, but the form such assistance would take may differ. In particular, financial assistance to private hospitals could take the form of a grant or a short-term loan.

***May payments from the Fund be used to assist individuals with enrolling in a government benefit program for those who have been laid off due to COVID-19 and thereby lost health insurance?***

Yes. To the extent that the relevant government official determines that these expenses are necessary and they meet the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance, these expenses are eligible.

***May recipients use Fund payments to facilitate livestock depopulation incurred by producers due to supply chain disruptions?***

Yes, to the extent these efforts are deemed necessary for public health reasons or as a form of economic support as a result of the COVID-19 health emergency.

***Would providing a consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense?***

Yes, assuming that the recipient considers the grants to be a necessary expense incurred due to the COVID-19 public health emergency and the grants meet the other requirements for the use of Fund payments under section 601(d) of the Social Security Act outlined in the Guidance. As a general matter, providing assistance to recipients to enable them to meet property tax requirements would not be an eligible use of funds, but exceptions may be made in the case of assistance designed to prevent foreclosures.

***May recipients create a “payroll support program” for public employees?***

Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

***May recipients use Fund payments to cover employment and training programs for employees that have been furloughed due to the public health emergency?***

Yes, this would be an eligible expense if the government determined that the costs of such employment and training programs would be necessary due to the public health emergency.



***May recipients use Fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency?***

Yes, if a government determines such assistance to be a necessary expenditure. Such assistance could include, for example, a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs. Such assistance should be structured in a manner to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.

***The Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. What is meant by a “small business,” and is the Guidance intended to refer only to expenditures to cover administrative expenses of such a grant program?***

Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance.

***The Guidance provides that expenses associated with the provision of economic support in connection with the public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, would constitute eligible expenditures of Fund payments. Would such expenditures be eligible in the absence of a stay-at-home order?***

Fund payments may be used for economic support in the absence of a stay-at-home order if such expenditures are determined by the government to be necessary. This may include, for example, a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency.

***May Fund payments be used to assist impacted property owners with the payment of their property taxes?***

Fund payments may not be used for government revenue replacement, including the provision of assistance to meet tax obligations.

***May Fund payments be used to replace foregone utility fees? If not, can Fund payments be used as a direct subsidy payment to all utility account holders?***

Fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.

***Could Fund payments be used for capital improvement projects that broadly provide potential economic development in a community?***

In general, no. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects.

However, Fund payments may be used for the expenses of, for example, establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity or improve mitigation measures, including related construction costs.

***The Guidance includes workforce bonuses as an example of ineligible expenses but provides that hazard pay would be eligible if otherwise determined to be a necessary expense. Is there a specific definition of “hazard pay”?***

Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.

***The Guidance provides that ineligible expenditures include “[p]ayroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” Is this intended to relate only to public employees?***

Yes. This particular nonexclusive example of an ineligible expenditure relates to public employees. A recipient would not be permitted to pay for payroll or benefit expenses of private employees and any financial assistance (such as grants or short-term loans) to private employers are not subject to the restriction that the private employers’ employees must be substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

***May counties pre-pay with CARES Act funds for expenses such as a one or two-year facility lease, such as to house staff hired in response to COVID-19?***

A government should not make prepayments on contracts using payments from the Fund to the extent that doing so would not be consistent with its ordinary course policies and procedures.

***Must a stay-at-home order or other public health mandate be in effect in order for a government to provide assistance to small businesses using payments from the Fund?***

No. The Guidance provides, as an example of an eligible use of payments from the Fund, expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. Such assistance may be provided using amounts received from the Fund in the absence of a requirement to close businesses if the relevant government determines that such expenditures are necessary in response to the public health emergency.



***Should States receiving a payment transfer funds to local governments that did not receive payments directly from Treasury?***

Yes, provided that the transferred funds are used by the local government for eligible expenditures under the statute. To facilitate prompt distribution of Title V funds, the CARES Act authorized Treasury to make direct payments to local governments with populations in excess of 500,000, in amounts equal to 45% of the local government's per capita share of the statewide allocation. This statutory structure was based on a recognition that it is more administratively feasible to rely on States, rather than the federal government, to manage the transfer of funds to smaller local governments. Consistent with the needs of all local governments for funding to address the public health emergency, States should transfer funds to local governments with populations of 500,000 or less, using as a benchmark the per capita allocation formula that governs payments to larger local governments. This approach will ensure equitable treatment among local governments of all sizes.

For example, a State received the minimum \$1.25 billion allocation and had one county with a population over 500,000 that received \$250 million directly. The State should distribute 45 percent of the \$1 billion it received, or \$450 million, to local governments within the State with a population of 500,000 or less.

***May a State impose restrictions on transfers of funds to local governments?***

Yes, to the extent that the restrictions facilitate the State's compliance with the requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance and other applicable requirements such as the Single Audit Act, discussed below. Other restrictions are not permissible.

***If a recipient must issue tax anticipation notes (TANs) to make up for tax due date deferrals or revenue shortfalls, are the expenses associated with the issuance eligible uses of Fund payments?***

If a government determines that the issuance of TANs is necessary due to the COVID-19 public health emergency, the government may expend payments from the Fund on the interest expense payable on TANs by the borrower and unbudgeted administrative and transactional costs, such as necessary payments to advisors and underwriters, associated with the issuance of the TANs.

***May recipients use Fund payments to expand rural broadband capacity to assist with distance learning and telework?***

Such expenditures would only be permissible if they are necessary for the public health emergency. The cost of projects that would not be expected to increase capacity to a significant extent until the need for distance learning and telework have passed due to this public health emergency would not be necessary due to the public health emergency and thus would not be eligible uses of Fund payments.

***Are costs associated with increased solid waste capacity an eligible use of payments from the Fund?***

Yes, costs to address increase in solid waste as a result of the public health emergency, such as relates to the disposal of used personal protective equipment, would be an eligible expenditure.

***May payments from the Fund be used to cover across-the-board hazard pay for employees working during a state of emergency?***

No. The Guidance says that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Hazard pay is a form of payroll expense and is subject to this limitation, so Fund payments may only be used to cover hazard pay for such individuals.

***May Fund payments be used for expenditures related to the administration of Fund payments by a State, territorial, local, or Tribal government?***

Yes, if the administrative expenses represent an increase over previously budgeted amounts and are limited to what is necessary. For example, a State may expend Fund payments on necessary administrative expenses incurred with respect to a new grant program established to disburse amounts received from the Fund.

***May recipients use Fund payments to provide loans?***

Yes, if the loans otherwise qualify as eligible expenditures under section 601(d) of the Social Security Act as implemented by the Guidance. Any amounts repaid by the borrower before December 30, 2020, must be either returned to Treasury upon receipt by the unit of government providing the loan or used for another expense that qualifies as an eligible expenditure under section 601(d) of the Social Security Act. Any amounts not repaid by the borrower until after December 30, 2020, must be returned to Treasury upon receipt by the unit of government lending the funds.

***May Fund payments be used for expenditures necessary to prepare for a future COVID-19 outbreak?***

Fund payments may be used only for expenditures necessary to address the current COVID-19 public health emergency. For example, a State may spend Fund payments to create a reserve of personal protective equipment or develop increased intensive care unit capacity to support regions in its jurisdiction not yet affected, but likely to be impacted by the current COVID-19 pandemic.

***May funds be used to satisfy non-federal matching requirements under the Stafford Act?***

Yes, payments from the Fund may be used to meet the non-federal matching requirements for Stafford Act assistance to the extent such matching requirements entail COVID-19-related costs that otherwise satisfy the Fund's eligibility criteria and the Stafford Act. Regardless of the use of Fund payments for such purposes, FEMA funding is still dependent on FEMA's determination of eligibility under the Stafford Act.

***Must a State, local, or tribal government require applications to be submitted by businesses or individuals before providing assistance using payments from the Fund?***

Governments have discretion to determine how to tailor assistance programs they establish in response to the COVID-19 public health emergency. However, such a program should be structured in such a manner as will ensure that such assistance is determined to be necessary in response to the COVID-19 public health emergency and otherwise satisfies the requirements of the CARES Act and other applicable law. For example, a per capita payment to residents of a particular jurisdiction without an assessment of individual need would not be an appropriate use of payments from the Fund.

***May Fund payments be provided to non-profits for distribution to individuals in need of financial assistance, such as rent relief?***

Yes, non-profits may be used to distribute assistance. Regardless of how the assistance is structured, the financial assistance provided would have to be related to COVID-19.

***May recipients use Fund payments to remarket the recipient's convention facilities and tourism industry?***

Yes, if the costs of such remarketing satisfy the requirements of the CARES Act. Expenses incurred to publicize the resumption of activities and steps taken to ensure a safe experience may be needed due to



the public health emergency. Expenses related to developing a long-term plan to reposition a recipient's convention and tourism industry and infrastructure would not be incurred due to the public health emergency and therefore may not be covered using payments from the Fund.

***May a State provide assistance to farmers and meat processors to expand capacity, such to cover overtime for USDA meat inspectors?***

If a State determines that expanding meat processing capacity, including by paying overtime to USDA meat inspectors, is a necessary expense incurred due to the public health emergency, such as if increased capacity is necessary to allow farmers and processors to donate meat to food banks, then such expenses are eligible expenses, provided that the expenses satisfy the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance.

***The guidance provides that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. May Fund payments be used to cover such an employee's entire payroll cost or just the portion of time spent on mitigating or responding to the COVID-19 public health emergency?***

As a matter of administrative convenience, the entire payroll cost of an employee whose time is substantially dedicated to mitigating or responding to the COVID-19 public health emergency is eligible, provided that such payroll costs are incurred by December 30, 2020. An employer may also track time spent by employees related to COVID-19 and apply Fund payments on that basis but would need to do so consistently within the relevant agency or department.

***May Fund payments be used to cover increased administrative leave costs of public employees who could not telework in the event of a stay at home order or a case of COVID-19 in the workplace?***

The statute requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. As stated in the Guidance, a cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget or (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. If the cost of an employee was allocated to administrative leave to a greater extent than was expected, the cost of such administrative leave may be covered using payments from the Fund.

**Questions Related to Administration of Fund Payments**

***Do governments have to return unspent funds to Treasury?***

Yes. Section 601(f)(2) of the Social Security Act, as added by section 5001(a) of the CARES Act, provides for recoupment by the Department of the Treasury of amounts received from the Fund that have not been used in a manner consistent with section 601(d) of the Social Security Act. If a government has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the Department of the Treasury.

***What records must be kept by governments receiving payment?***

A government should keep records sufficient to demonstrate that the amount of Fund payments to the government has been used in accordance with section 601(d) of the Social Security Act.

***May recipients deposit Fund payments into interest bearing accounts?***

Yes, provided that if recipients separately invest amounts received from the Fund, they must use the interest earned or other proceeds of these investments only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act and the Guidance on eligible expenses. If a government deposits Fund payments in a government's general account, it may use those funds to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary expenditures. Fund payments are not subject to the Cash Management Improvement Act of 1990, as amended.

***May governments retain assets purchased with payments from the Fund?***

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds provided by section 601(d) of the Social Security Act.

***What rules apply to the proceeds of disposition or sale of assets acquired using payments from the Fund?***

If such assets are disposed of prior to December 30, 2020, the proceeds would be subject to the restrictions on the eligible use of payments from the Fund provided by section 601(d) of the Social Security Act.

***Are Fund payments to State, territorial, local, and tribal governments considered grants?***

No. Fund payments made by Treasury to State, territorial, local, and Tribal governments are not considered to be grants but are "other financial assistance" under 2 C.F.R. § 200.40.

***Are Fund payments considered federal financial assistance for purposes of the Single Audit Act?***

Yes, Fund payments are considered to be federal financial assistance subject to the Single Audit Act (31 U.S.C. §§ 7501-7507) and the related provisions of the Uniform Guidance, 2 C.F.R. § 200.303 regarding internal controls, §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

***Are Fund payments subject to other requirements of the Uniform Guidance?***

Fund payments are subject to the following requirements in the Uniform Guidance (2 C.F.R. Part 200): 2 C.F.R. § 200.303 regarding internal controls, 2 C.F.R. §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

***Is there a Catalog of Federal Domestic Assistance (CFDA) number assigned to the Fund?***

Yes. The CFDA number assigned to the Fund is 21.019.

***If a State transfers Fund payments to its political subdivisions, would the transferred funds count toward the subrecipients' total funding received from the federal government for purposes of the Single Audit Act?***

Yes. The Fund payments to subrecipients would count toward the threshold of the Single Audit Act and 2 C.F.R. part 200, subpart F re: audit requirements. Subrecipients are subject to a single audit or program-

specific audit pursuant to 2 C.F.R. § 200.501(a) when the subrecipients spend \$750,000 or more in federal awards during their fiscal year.

***Are recipients permitted to use payments from the Fund to cover the expenses of an audit conducted under the Single Audit Act?***

Yes, such expenses would be eligible expenditures, subject to the limitations set forth in 2 C.F.R. § 200.425.

***If a government has transferred funds to another entity, from which entity would the Treasury Department seek to recoup the funds if they have not been used in a manner consistent with section 601(d) of the Social Security Act?***

The Treasury Department would seek to recoup the funds from the government that received the payment directly from the Treasury Department. State, territorial, local, and Tribal governments receiving funds from Treasury should ensure that funds transferred to other entities, whether pursuant to a grant program or otherwise, are used in accordance with section 601(d) of the Social Security Act as implemented in the Guidance.



**AGENDA # 6.8**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: AUGUST 4, 2020**

|                                |   |                        |   |
|--------------------------------|---|------------------------|---|
| <b>ORIGINATING DIVISION:</b>   | Administration  | <b>CONSENT AGENDA:</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>ORIGINATING DEPARTMENT:</b> |   | <b>ATTACHMENTS:</b>    | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>PRESENTER:</b>              | Freese/Harder   | <b>TIME REQUESTED:</b> |   |
| <b>PROJECT:</b>                | COVID 19  |                        |   |
| <b>ACTION REQUESTED:</b>       | Adopt Resolution 2020-114, Authorizing the Development of a Housing Support Program, entering Into a Sub-Recipient Agreement with the Scott County Community Development Agency (CDA) to Administer on behalf of Scott County and utilizing \$2 Million from the CARES Act Special Revenue Fund And Accept Grant Funds From The Minnesota Housing Finance Program For Coronavirus Housing Assistance Program (CHAP) |                        |   |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review  | <b>FISCAL:</b>         | <input type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

**ORGANIZATIONAL VALUES:**

- ☒ **Customer Service:** We will delivery government services in a respectful, responsive, and solution-oriented manner
- ☒ **Communication:** We will always be clear about what we're doing and why we're doing it
- ☒ **Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- ☒ **Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- ☒ **Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- ☒ **Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- ☐ **Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

|  |  |
|--|--|
| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>   |
|  |  |
| <b>Approved:</b>                           | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b> |
| <b>Denied:</b>                             |  |
| <b>Tabled:</b>                             |  |
| <b>Other:</b>                              |  |
| <b>Deputy Clerk:</b>                       |  |
| <b>Date:</b>                               |  |

**Background/Justification:**

The purpose of this agenda item is to adopt Resolution 2020-114 Authorizing Development of a Housing Support Program, entering into sub-recipient agreements with the Scott County Community Development

Agency (CDA) and utilizing \$2 Million from the CARES Act Special Revenue Fund and accepting grant funds from the Minnesota Housing Finance Program For Coronavirus Housing Assistance Program (CHAP).

Since early 2020, Scott County has been impacted by an outbreak of a respiratory disease caused by a novel coronavirus that has been detected across the world, including in Minnesota.

- On March 11, the World Health Organization declared COVID-19 as a pandemic.
- On March 13, the President of the United States declared a national emergency for the COVID-19 pandemic.
- On March 13, the Governor of Minnesota declared a peacetime emergency due to the COVID-19 pandemic.
- On March 17, 2020, the Scott County Board of Commissioners declared a local state of emergency due to the COVID-19 pandemic.

On March 27, 2020, the Federal Government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provides over \$2 trillion in federal economic relief to protect the American people from the public health and economic impacts of COVID-19. Part of those funds were sent to states for local allocation and disbursement.

Minnesota Governor Tim Walz, through executive authority and a legislative review committee, allocated and dispersed a portion of Minnesota's CARES Act funds as Local Government Assistance based on population targets to counties, cities and townships throughout the state. Scott County has received \$17,719,998.

The funds may be spent by the local agencies to offset public health and economic impacts of COVID-19. In order to be eligible for the funding expenditures must pass a three-step test:

1. Expenses must be necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)
2. They must be costs that were not accounted for in the budget most recently approved as of March 27, 2020
3. Performance or delivery must occur during the covered period, but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred.) The County deadline is 12/1/2020.

To assist in understanding eligible expenses, the United States Department of the Treasury published two documents: *Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated June 30, 2020* ("Guidance"); and *Coronavirus Relief Fund Frequently Asked Questions Updated as of July 8, 2020* ("Frequently Asked Questions").

All CARES Act Funds are subject to State and Federal audit for use of the funds. This means that any subrecipients of CARES Funds from the County must also meet audit requirements.

### **Background: Housing Stability to Prevent Homelessness**

On March 23, 2020, Governor Walz signed Executive Order 20-14 suspending evictions and writs of recovery during the COVID-19 peacetime emergency. When the moratorium is lifted, it is anticipated that a significant number of evictions will be filed on properties owned or rented by people who could not pay for housing due to layoffs, furloughs and other financial losses experienced as a result of COVID-19:

1. Between March 16 and July 28, 2020, 24,754 applications for unemployment have been accepted in Scott County. This represents 29.6% of the 2019 labor force.
2. Since March 17, 2020, Court Administration reports there have been 12 eviction cases filed, awaiting the lifting of the moratorium and they anticipate at least 50 filed by the time the moratorium is lifted. This compares to 102 evictions at this same time last year.
3. Nationally, an estimated 8% of mortgages are in forbearance. Applied to Scott County, that equates to 2,480 mortgages that are potentially in jeopardy.
4. In Scott County, 24.3% of households were considered cost-burdened (paying more than 30% of their income for housing) prior to the COVID-19 pandemic.

At a Board Workshop on July 7, 2020, the Scott County Board discussed their priorities for dissemination of the CARES funds. Commissioners agreed that helping ensure people didn't lose their homes was a priority and preventing homelessness should be supported through allocation of CARES funding. At a Board Meeting on July 21, 2020, the commissioners targeted \$2.0 million for housing supports.

The County recommends support for both mortgage and rental assistance programs. Negotiations are in process to identify a non-profit agency to administer rental assistance funds. The County recommends a contract with the Community Development Agency (CDA) to administer the mortgage assistance program. County staff and representatives from CDA have been meeting to create a process for disseminating money to support housing stability as follows:

**Rental assistance: \$450,000**

Rental assistance would be supported through a combination of state funding available from the Coronavirus Housing Assistance Program (CHAP) and the County CARES Act Special Revenue Fund, resulting in \$1.75 Million in rental assistance.

1. **CHAP funding.** CHAP funding is offered to local jurisdictions through a competitive application process. Scott County partners with other suburban counties in the Suburban Metro Continuum of Care (SMAC) and submitted an application for CHAP funds through that coalition. Grant amounts are scheduled to be awarded on August 3, 2020, but housing staff estimate a potential \$1.3 million allocation to Scott County. State funding will support a non-profit agency, Housing Link, as a centralized intake portal.

CHAP funding is targeted for lower income households, those making less than \$52,400 for a family of four. CHAP money can be used for both rental and mortgage assistance, although income criteria and the cost of housing in Scott County will result in a very few households qualifying for mortgage assistance through CHAP funds.

2. **County CARES Act Special Revenue Fund.** For households who do not meet income criteria for CHAP funding, the County is targeting an additional \$450,000 from the County CARES Act Special Revenue Fund to support rental assistance. These funds would be allocated for households with higher incomes, up to \$118,900.

The average monthly rent payment in Scott County is \$1,600, with a maximum grant of up to \$6,800. Renters would have to meet basic program criteria, have been current on rent as of March 1, 2020, and have the ability to demonstrate a link between COVID-19 and their inability to pay their rent.

**Mortgage Assistance: \$1.5 million**

Mortgage assistance would have a targeted allocation of \$1.5 million. The average mortgage payment in Scott County is \$1,900. Mortgage assistance grants of up to \$2,000 a month, with a total maximum of \$8,000 for a household, would be made available to homeowners to pay for mortgage, homeowner association fees, or lot rental for a mobile home. Applicants would have to meet basic program criteria, including having been current on their mortgage as of March 1, 2020, and have the ability to demonstrate a link between COVID-19 and their inability to pay mortgage costs. Applications for mortgage assistance will be made through Housing Link and will direct applications to the CDA who will verify eligibility and manage distribution of mortgage assistance grants.

**Emergency Housing Vouchers: \$10,000**

To support the existing emergency housing voucher programs, an addition \$10,000 of County CARES Act Special Revenue Fund would be allocated to address housing emergencies related to COVID-19 and occurring between March 1 and December 30, 2020.

**Marketing and Administrative Costs: \$65,000**

Costs to market and administer the County CARES funding for mortgage assistance to prevent homelessness would total \$65,000. These costs could be offset by redeployment of county staff to assist with processing

applications. Costs to administer the rental assistance program will be negotiated when a non-profit agency is identified.

These programs are designed to try and limit foreclosures and evictions that would likely not have occurred, but for the COVID-19 public health emergency. The income limits were chosen to provide support to residents who will likely need assistance to avoid foreclosure or eviction but do not qualify for other state or federal supports. Funding targets have been identified in anticipation of the level of need but are subject to adjustment as the County's understanding of the need develops.

**Fiscal Impact:** Scott County has received \$17,719,998 in CARES relief funds. By Resolution 2020-115, adopted on August 4, 2020 a CARES Act Special Revenue Fund was created, the County Budget amended, and the funds deposited. The \$2 million for the Housing Support Program will utilize these funds and has no impact on the Scott County operating budget.

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                |
|----------------------------------|----------------|
| <b>Date:</b>                     | August 4, 2020 |
| <b>Resolution No.:</b>           | 2020-114       |
| <b>Motion by Commissioner:</b>   |                |
| <b>Seconded by Commissioner:</b> |                |

**RESOLUTION 2020-114, AUTHORIZING THE DEVELOPMENT OF A HOUSING SUPPORT PROGRAM,  
ENTERING INTO A SUB-RECIPIENT AGREEMENT WITH THE SCOTT COUNTY COMMUNITY  
DEVELOPMENT AGENCY (CDA) TO ADMINISTER ON BEHALF OF SCOTT COUNTY AND AMENDING  
THE BUDGET TO UTILIZE \$2 MILLION FROM THE CARES ACT SPECIAL REVENUE FUND AND  
ACCEPT GRANT FUNDS FROM THE MINNESOTA HOUSING FINANCE PROGRAM FOR CORONAVIRUS  
HOUSING ASSISTANCE PROGRAM (CHAP)**

WHEREAS, COVID-19, a global pandemic has caused a public health emergency at all levels of government in the United States; and

WHEREAS, response and support to affected individuals, communities, medical systems, business, and government has caused significant impact to the County as a whole; and

WHEREAS, COVID-19, has caused and will continue to cause increased service needs on County functions and additional work for staff; and

WHEREAS, COVID-19 has had significant impacts on the businesses and residents of Scott County; and

WHEREAS, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed on March 27, 2020, provides over \$2 trillion in federal economic relief to protect the American people from the public health and economic impacts of COVID-19; and

WHEREAS, Governor Tim Walz on June 26, 2020 formally allocated funding for counties, cities, and townships in the State of Minnesota, to provide support and economic relief on a local level, with Scott County receiving \$17,719,998 from the CARES Act; and

WHEREAS, at its work session on July 7, 2020 the Scott County Board discussed their priorities for dissemination of the funds and affirmed their direction during the July 21<sup>st</sup> board meeting; and

WHEREAS, the Federal CARES Act funds are subject to State and Federal spending requirements and subject to State and Federal Audit; and

WHEREAS, the Scott County Board of Commissioners has been presented and has approved a plan for the use of the County's allocation; and

WHEREAS, the Scott County Board of Commissioners desire the funds to be accounted for in a manner that will demonstrate full compliance with Federal requirements and guidance; and

WHEREAS, 24,754 unemployment applications (29.4% of labor force in 2019) related to layoffs, furloughs and other effects of COVID-19 have been received by Scott County between March 16 and July 26, 2020; and

WHEREAS, landlords are already preparing eviction filings when the housing moratorium ends; and national data suggests 8% of mortgages are in forbearance; and the financial instability resulting from lost wages leaves residents at risk of eviction, home loss and homelessness; and



**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                |
|----------------------------------|----------------|
| <b>Date:</b>                     | August 4, 2020 |
| <b>Resolution No.:</b>           | 2020-114       |
| <b>Motion by Commissioner:</b>   |                |
| <b>Seconded by Commissioner:</b> |                |

WHEREAS, elevated rates of evictions and foreclosures create a housing crisis that jeopardizes the stability of families and communities; and

WHEREAS, at its work session on July 7, 2020 the Scott County Board discussed their priorities for dissemination of the funds and directed staff to develop plans for housing supports for residents impacted by COVID-19; and

WHEREAS, the Suburban Metro Area Continuum of Care (SMAC) applied for a competitive grant with the Minnesota Housing Finance Program for Coronavirus Housing Assistance Program (CHAP) funding to be directed at rental assistance with allocations announced August 3, 2020; and

WHEREAS, as the County Board desires to provide mortgage assistance to support housing stability and prevent foreclosure; and

WHEREAS, as the County Board desires to provide rental assistance to support housing stability and prevent evictions; and

WHEREAS, as the County Board desires to supplement existing emergency housing voucher programs for households impacted by COVID; and

WHEREAS, at a County Board meeting on July 21, 2020 the Board reviewed and determined the County's plan for directing CARES funds to support rental assistance, mortgage assistance and emergency housing voucher for people impacted by COVID-19 is a necessary and reasonable response to the COVID-19 Pandemic, and there eligible for use of CARES Act Funds; and

WHEREAS, The Scott County COVID-19 Mortgage Assistance Program Guidelines have been developed and are hereby incorporated as attachment A of this resolution; and

WHEREAS, the County's plan is consistent with the United States Department of the Treasury's "Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated June 30, 2020" attached and incorporated as attachment B and "Coronavirus Relief Fund Frequently Asked Questions Updated As of July 8, 2020" attached and incorporated as attachment C.

NOW THEREFORE BE IT RESOLVED, that a Housing Supports Program, which includes rental assistance, mortgage assistance and emergency housing assistance for Scott County residents impacted by the COVID-19 public health emergency, be created and that priority assistance be given to needs unmet by other CARES related assistance programs; and

BE IT FURTHER RESOLVED, that the Scott County Board of Commissioners authorizes the County Board Chair and County Administrator to enter into a contract with the Scott County Community Development Agency to develop and implement a Mortgage Assistance Program utilizing up to \$1.5 million of the CARES Act Special Revenue Fund. The Scott County COVID-19 Mortgage Assistance Program Guidelines are adopted as provided for in Attachment A of this resolution; and

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                |
|----------------------------------|----------------|
| <b>Date:</b>                     | August 4, 2020 |
| <b>Resolution No.:</b>           | 2020-114       |
| <b>Motion by Commissioner:</b>   |                |
| <b>Seconded by Commissioner:</b> |                |

BE IT FURTHER RESOLVED that if granted, the Scott County Board of Commissioners authorizes the County Administrator to accept CHAP fund allocations and apply those funds to rental assistance programs; and

BE IT FURTHER RESOLVED, that \$450,000 of the County's allocation of the CARES Act Special Revenue Fund be allocated for rental assistance and that the County Board authorizes the County Board Chair and the County Administrator to enter into a contract with a non-profit organization to verify eligibility and distribute funds; and

BE IT FURTHER RESOLVED, that \$10,000 of the County's allocation for the CARES Act funds be allocated to the County's existing emergency homelessness voucher program to address immediate housing needs for individuals and families made homeless between April 1, 2020 and November 29, 2020 as a result of COVID-19; and

BE IT FURTHER RESOLVED, The County Board determines these expenditures to address needs for Scott County residents who are impacted and/or at risk of homelessness are a necessary and reasonable response to the COVID-19 pandemic, and are therefore eligible for use of CARES ACT Funds; and

BE IT FURTHER RESOLVED, the County Administrator has the flexibility to amend the target amounts based on the actual community response and need; and

BE IT FINALLY RESOLVED, that approval of the Agreement(s) is subject to approval by the County Attorney's Office as to form.

| COMMISSIONERS  | VOTE                         |                             |                                 |                                  |
|----------------|------------------------------|-----------------------------|---------------------------------|----------------------------------|
| Weckman Brekke | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Wolf           | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Beard          | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Beer           | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Ulrich         | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |

**State of Minnesota)**  
**County of Scott    )**

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 4<sup>th</sup> day of August, 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 4<sup>th</sup> day of August 2020.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

County Administrator

Administrator's Designee

Attachment A

# SCOTT COUNTY COVID-19 HOMEOWNER ASSISTANCE PROGRAM

A homeowner assistance program to aid in foreclosure prevention by assisting income eligible homeowners adversely impacted by the COVID-19 pandemic



323 NAUMKEAG ST | SHAKOPEE MINNESOTA | 55379  
[SCOTTCDA.ORG](http://SCOTTCDA.ORG)

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## **SCOTT COUNTY COVID-19 HOMEOWNER ASSISTANCE PROGRAM**

The Scott County Board of Commissioners has targeted \$1.5 million to support Scott County homeowners that have had financial hardship as a result of the COVID-19 pandemic. The program will specifically target homeowners earning up to \$118,900 who have become delinquent on their mortgage after 3/1/2020 due to job loss or reduced work hours and wages as a result of the COVID-19 pandemic.

The local homeowner assistance being offered is for delinquent:

- (1) Mortgage payments
- (2) Homeowner Association Dues
- (3) Manufactured Home Lot rent

Scott County, in collaboration with the Scott County Community Development Agency (CDA), will collect and review applications, determine eligibility and provide housing assistance grants. This initiative is being funded by Scott County's allocation from the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act and will be administered in compliance with the rules and regulations of this Act.

Homeowners may apply for the Scott County COVID-19 Mortgage Assistance Program if they are first determined to be financially ineligible for CHAP funds. Homeowners who receive the CHAP grant for mortgage assistance may apply for supplemental mortgage assistance through the Scott County COVID-19 Mortgage Assistance Program for eligible expenses, not to exceed \$8000 between the two programs (ie. if a homeowner receives \$4800 in CHAP they may be eligible for \$3200 from the Scott County COVID-19 Mortgage Assistance Program). Assistance shall be made available in the form of a grant and funds will be made out directly to the entity owed. The provision of assistance shall, at all times, remain subject to the availability of funding. The guidance that follows describes the eligibility criteria, assistance available and the application process.

Note: Scott County and/or the Scott County CDA reserves the right to revise these guidelines in response to State or Federal guidance and regulation or as needed to best address the impact of the current pandemic.

## Homeowner Assistance Program Objective

The purpose of the Homeowner Assistance Program is to utilize Federal CARES Act funds to aid in foreclosure prevention. The program will provide emergency financial assistance in the form of a grant on behalf of eligible Scott County homeowners who have experienced financial hardships due to job loss or reduced work hours and wages as a result of the COVID-19 pandemic.

## Household Eligibility

Homeowners must own and occupy as their primary residence a property secured by a mortgage in Scott County.

Homeowners who have an annual household income up to \$118,900 are eligible to apply. Homeowners must first exhaust CHAP funds before applying for the Scott County COVID-19 Homeowner Assistance Program.

The homeowner(s) must have experienced a loss of income, reduction in hours or unemployment after March 1, 2020 due to the COVID-19 pandemic.

Mortgage statements, homeowner association dues, and lot rent payments must have been current as of March 1, 2020. Only past due payments between March 2020 and November 2020 are eligible for assistance.

Homeowners with liquid cash assets of 3 months of the household's total monthly housing payment or less will receive priority.

## Homeowner Assistance

The maximum amount of assistance is the actual amount owed to a maximum of \$2,000/month. Total amount paid is based on availability of funds, not to exceed \$8000 total between CHAP and Scott County COVID-19 Homeowner Assistance Program funding.

Assistance can be used to pay the mortgage; homeowner association dues; or lot rent for a purchased mobile home.

Assistance will only be provided once to eligible households and the assistance must resolve the past due balance in full.

Assistance payments are provided as a grant and will be made out directly to the entity owed.



## Application Process

Application and program information will be available on the Scott County CDA website at [www.scottcda.org](http://www.scottcda.org). It is anticipated applications will be opening mid-August pending completion of the online application system and no later than September 1.

All applicants will be required to complete an application through the statewide system to maximize available resources at the State level and to avoid duplication of assistance.

Applicants will be forwarded to the Scott County CDA through the online system to process the application and determine eligibility for the Scott County Homeowner Assistance program.

The applicant applying needs to be the person listed on the mortgage statement, homeowner association dues or lot rent statement.

Applications will not be processed until they are complete including the CDA receiving all required verifications and documentation in order to determine eligibility from the applicant. If an applicant has an incomplete application, the CDA will notify the applicant of what needs to be resolved in order to complete the application.

Scott County CDA reserves the right to request additional documentation or verification to determine program eligibility and reserves the right to deny any application that is not in compliance with the program guidelines.

Complete and eligible applications will be prioritized based on the program guidelines and the availability of funding

Note: Scott County and/or the Scott County CDA reserves the right to revise these guidelines in response to State or Federal guidance and regulation or as needed to best address the impact of the current pandemic.

## Attachment B

### **Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments Updated June 30, 2020<sup>1</sup>**

The purpose of this document is to provide guidance to recipients of the funding available under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). The CARES Act established the Coronavirus Relief Fund (the “Fund”) and appropriated \$150 billion to the Fund. Under the CARES Act, the Fund is to be used to make payments for specified uses to States and certain local governments; the District of Columbia and U.S. Territories (consisting of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands); and Tribal governments.

The CARES Act provides that payments from the Fund may only be used to cover costs that—

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.<sup>2</sup>

The guidance that follows sets forth the Department of the Treasury’s interpretation of these limitations on the permissible use of Fund payments.

#### ***Necessary expenditures incurred due to the public health emergency***

The requirement that expenditures be incurred “due to” the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

The statute also specifies that expenditures using Fund payments must be “necessary.” The Department of the Treasury understands this term broadly to mean that the expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending Fund payments.

#### ***Costs not accounted for in the budget most recently approved as of March 27, 2020***

The CARES Act also requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either (a) the

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<sup>1</sup> This version updates the guidance provided under “Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020”.

<sup>2</sup> See Section 601(d) of the Social Security Act, as added by section 5001 of the CARES Act.

cost cannot lawfully be funded using a line item, allotment, or allocation within that budget or (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

The “most recently approved” budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

***Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020***

Finally, the CARES Act provides that payments from the Fund may only be used to cover costs that were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020 (the “covered period”). Putting this requirement together with the other provisions discussed above, section 601(d) may be summarized as providing that a State, local, or tribal government may use payments from the Fund only to cover previously unbudgeted costs of necessary expenditures incurred due to the COVID-19 public health emergency during the covered period.

Initial guidance released on April 22, 2020, provided that the cost of an expenditure is incurred when the recipient has expended funds to cover the cost. Upon further consideration and informed by an understanding of State, local, and tribal government practices, Treasury is clarifying that for a cost to be considered to have been incurred, performance or delivery must occur during the covered period but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred). For instance, in the case of a lease of equipment or other property, irrespective of when payment occurs, the cost of a lease payment shall be considered to have been incurred for the period of the lease that is within the covered period, but not otherwise.

Furthermore, in all cases it must be necessary that performance or delivery take place during the covered period. Thus the cost of a good or service received during the covered period will not be considered eligible under section 601(d) if there is no need for receipt until after the covered period has expired.

Goods delivered in the covered period need not be used during the covered period in all cases. For example, the cost of a good that must be delivered in December in order to be available for use in January could be covered using payments from the Fund. Additionally, the cost of goods purchased in bulk and delivered during the covered period may be covered using payments from the Fund if a portion of the goods is ordered for use in the covered period, the bulk purchase is consistent with the recipient’s usual procurement policies and practices, and it is impractical to track and record when the items were used. A recipient may use payments from the Fund to purchase a durable good that is to be used during the current period and in subsequent periods if the acquisition in the covered period was necessary due to the public health emergency.

Given that it is not always possible to estimate with precision when a good or service will be needed, the touchstone in assessing the determination of need for a good or service during the covered period will be reasonableness at the time delivery or performance was sought, e.g., the time of entry into a procurement contract specifying a time for delivery. Similarly, in recognition of the likelihood of supply chain disruptions and increased demand for certain goods and services during the COVID-19 public health emergency, if a recipient enters into a contract requiring the delivery of goods or performance of services by December 30, 2020, the failure of a vendor to complete delivery or services by December 30, 2020, will not affect the ability of the recipient to use payments from the Fund to cover the cost of such goods or services if the delay is due to circumstances beyond the recipient’s control.

This guidance applies in a like manner to costs of subrecipients. Thus, a grant or loan, for example, provided by a recipient using payments from the Fund must be used by the subrecipient only to purchase (or reimburse a purchase of) goods or services for which receipt both is needed within the covered period and occurs within the covered period. The direct recipient of payments from the Fund is ultimately responsible for compliance with this limitation on use of payments from the Fund.

#### *Nonexclusive examples of eligible expenditures*

Eligible expenditures include, but are not limited to, payment for:

1. Medical expenses such as:
  - COVID-19-related expenses of public hospitals, clinics, and similar facilities.
  - Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
  - Costs of providing COVID-19 testing, including serological testing.
  - Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
  - Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
2. Public health expenses such as:
  - Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
  - Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
  - Expenses for disinfection of public areas and other facilities, *e.g.*, nursing homes, in response to the COVID-19 public health emergency.
  - Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
  - Expenses for public safety measures undertaken in response to COVID-19.
  - Expenses for quarantining individuals.
3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:
  - Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
  - Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
  - Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.

- Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
  - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
  - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
    - Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
    - Expenditures related to a State, territorial, local, or Tribal government payroll support program.
    - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
  6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

*Nonexclusive examples of ineligible expenditures<sup>3</sup>*

The following is a list of examples of costs that would *not* be eligible expenditures of payments from the Fund.

1. Expenses for the State share of Medicaid.<sup>4</sup>
2. Damages covered by insurance.
3. Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
5. Reimbursement to donors for donated items or services.
6. Workforce bonuses other than hazard pay or overtime.
7. Severance pay.
8. Legal settlements.

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<sup>3</sup> In addition, pursuant to section 5001(b) of the CARES Act, payments from the Fund may not be expended for an elective abortion or on research in which a human embryo is destroyed, discarded, or knowingly subjected to risk of injury or death. The prohibition on payment for abortions does not apply to an abortion if the pregnancy is the result of an act of rape or incest; or in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed. Furthermore, no government which receives payments from the Fund may discriminate against a health care entity on the basis that the entity does not provide, pay for, provide coverage of, or refer for abortions.

<sup>4</sup> See 42 C.F.R. § 433.51 and 45 C.F.R. § 75.306.



Attachment C  
**Coronavirus Relief Fund  
Frequently Asked Questions  
Updated as of July 8, 2020**

The following answers to frequently asked questions supplement Treasury's Coronavirus Relief Fund ("Fund") Guidance for State, Territorial, Local, and Tribal Governments, dated April 22, 2020, ("Guidance").<sup>1</sup> Amounts paid from the Fund are subject to the restrictions outlined in the Guidance and set forth in section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act").

**Eligible Expenditures**

***Are governments required to submit proposed expenditures to Treasury for approval?***

No. Governments are responsible for making determinations as to what expenditures are necessary due to the public health emergency with respect to COVID-19 and do not need to submit any proposed expenditures to Treasury.

***The Guidance says that funding can be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. How does a government determine whether payroll expenses for a given employee satisfy the "substantially dedicated" condition?***

The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

***The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a "substantially different use" for purposes of the Fund eligibility?***

Costs incurred for a "substantially different use" include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty's ordinary responsibilities.

Note that a public function does not become a "substantially different use" merely because it is provided from a different location or through a different manner. For example, although developing online instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.

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<sup>1</sup> The Guidance is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.

***May a State receiving a payment transfer funds to a local government?***

Yes, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act. Such funds would be subject to recoupment by the Treasury Department if they have not been used in a manner consistent with section 601(d) of the Social Security Act.

***May a unit of local government receiving a Fund payment transfer funds to another unit of government?***

Yes. For example, a county may transfer funds to a city, town, or school district within the county and a county or city may transfer funds to its State, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, a transfer from a county to a constituent city would not be permissible if the funds were intended to be used simply to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.

***Is a Fund payment recipient required to transfer funds to a smaller, constituent unit of government within its borders?***

No. For example, a county recipient is not required to transfer funds to smaller cities within the county's borders.

***Are recipients required to use other federal funds or seek reimbursement under other federal programs before using Fund payments to satisfy eligible expenses?***

No. Recipients may use Fund payments for any expenses eligible under section 601(d) of the Social Security Act outlined in the Guidance. Fund payments are not required to be used as the source of funding of last resort. However, as noted below, recipients may not use payments from the Fund to cover expenditures for which they will receive reimbursement.

***Are there prohibitions on combining a transaction supported with Fund payments with other CARES Act funding or COVID-19 relief Federal funding?***

Recipients will need to consider the applicable restrictions and limitations of such other sources of funding. In addition, expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds, are not eligible uses of Fund payments.

***Are States permitted to use Fund payments to support state unemployment insurance funds generally?***

To the extent that the costs incurred by a state unemployment insurance fund are incurred due to the COVID-19 public health emergency, a State may use Fund payments to make payments to its respective state unemployment insurance fund, separate and apart from such State's obligation to the unemployment insurance fund as an employer. This will permit States to use Fund payments to prevent expenses related to the public health emergency from causing their state unemployment insurance funds to become insolvent.

***Are recipients permitted to use Fund payments to pay for unemployment insurance costs incurred by the recipient as an employer?***

Yes, Fund payments may be used for unemployment insurance costs incurred by the recipient as an employer (for example, as a reimbursing employer) related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.

***The Guidance states that the Fund may support a “broad range of uses” including payroll expenses for several classes of employees whose services are “substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” What are some examples of types of covered employees?***

The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020.

***In some cases, first responders and critical health care workers that contract COVID-19 are eligible for workers’ compensation coverage. Is the cost of this expanded workers compensation coverage eligible?***

Increased workers compensation cost to the government due to the COVID-19 public health emergency incurred during the period beginning March 1, 2020, and ending December 30, 2020, is an eligible expense.

***If a recipient would have decommissioned equipment or not renewed a lease on particular office space or equipment but decides to continue to use the equipment or to renew the lease in order to respond to the public health emergency, are the costs associated with continuing to operate the equipment or the ongoing lease payments eligible expenses?***

Yes. To the extent the expenses were previously unbudgeted and are otherwise consistent with section 601(d) of the Social Security Act outlined in the Guidance, such expenses would be eligible.

***May recipients provide stipends to employees for eligible expenses (for example, a stipend to employees to improve telework capabilities) rather than require employees to incur the eligible cost and submit for reimbursement?***

Expenditures paid for with payments from the Fund must be limited to those that are necessary due to the public health emergency. As such, unless the government were to determine that providing assistance in the form of a stipend is an administrative necessity, the government should provide such assistance on a reimbursement basis to ensure as much as possible that funds are used to cover only eligible expenses.



***May Fund payments be used for COVID-19 public health emergency recovery planning?***

Yes. Expenses associated with conducting a recovery planning project or operating a recovery coordination office would be eligible, if the expenses otherwise meet the criteria set forth in section 601(d) of the Social Security Act outlined in the Guidance.

***Are expenses associated with contact tracing eligible?***

Yes, expenses associated with contract tracing are eligible.

***To what extent may a government use Fund payments to support the operations of private hospitals?***

Governments may use Fund payments to support public or private hospitals to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency, but the form such assistance would take may differ. In particular, financial assistance to private hospitals could take the form of a grant or a short-term loan.

***May payments from the Fund be used to assist individuals with enrolling in a government benefit program for those who have been laid off due to COVID-19 and thereby lost health insurance?***

Yes. To the extent that the relevant government official determines that these expenses are necessary and they meet the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance, these expenses are eligible.

***May recipients use Fund payments to facilitate livestock depopulation incurred by producers due to supply chain disruptions?***

Yes, to the extent these efforts are deemed necessary for public health reasons or as a form of economic support as a result of the COVID-19 health emergency.

***Would providing a consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense?***

Yes, assuming that the recipient considers the grants to be a necessary expense incurred due to the COVID-19 public health emergency and the grants meet the other requirements for the use of Fund payments under section 601(d) of the Social Security Act outlined in the Guidance. As a general matter, providing assistance to recipients to enable them to meet property tax requirements would not be an eligible use of funds, but exceptions may be made in the case of assistance designed to prevent foreclosures.

***May recipients create a “payroll support program” for public employees?***

Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

***May recipients use Fund payments to cover employment and training programs for employees that have been furloughed due to the public health emergency?***

Yes, this would be an eligible expense if the government determined that the costs of such employment and training programs would be necessary due to the public health emergency.

***May recipients use Fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency?***

Yes, if a government determines such assistance to be a necessary expenditure. Such assistance could include, for example, a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs. Such assistance should be structured in a manner to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.

***The Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. What is meant by a “small business,” and is the Guidance intended to refer only to expenditures to cover administrative expenses of such a grant program?***

Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance.

***The Guidance provides that expenses associated with the provision of economic support in connection with the public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, would constitute eligible expenditures of Fund payments. Would such expenditures be eligible in the absence of a stay-at-home order?***

Fund payments may be used for economic support in the absence of a stay-at-home order if such expenditures are determined by the government to be necessary. This may include, for example, a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency.

***May Fund payments be used to assist impacted property owners with the payment of their property taxes?***

Fund payments may not be used for government revenue replacement, including the provision of assistance to meet tax obligations.

***May Fund payments be used to replace foregone utility fees? If not, can Fund payments be used as a direct subsidy payment to all utility account holders?***

Fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.



***Could Fund payments be used for capital improvement projects that broadly provide potential economic development in a community?***

In general, no. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects.

However, Fund payments may be used for the expenses of, for example, establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity or improve mitigation measures, including related construction costs.

***The Guidance includes workforce bonuses as an example of ineligible expenses but provides that hazard pay would be eligible if otherwise determined to be a necessary expense. Is there a specific definition of “hazard pay”?***

Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.

***The Guidance provides that ineligible expenditures include “[p]ayroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” Is this intended to relate only to public employees?***

Yes. This particular nonexclusive example of an ineligible expenditure relates to public employees. A recipient would not be permitted to pay for payroll or benefit expenses of private employees and any financial assistance (such as grants or short-term loans) to private employers are not subject to the restriction that the private employers’ employees must be substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

***May counties pre-pay with CARES Act funds for expenses such as a one or two-year facility lease, such as to house staff hired in response to COVID-19?***

A government should not make prepayments on contracts using payments from the Fund to the extent that doing so would not be consistent with its ordinary course policies and procedures.

***Must a stay-at-home order or other public health mandate be in effect in order for a government to provide assistance to small businesses using payments from the Fund?***

No. The Guidance provides, as an example of an eligible use of payments from the Fund, expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. Such assistance may be provided using amounts received from the Fund in the absence of a requirement to close businesses if the relevant government determines that such expenditures are necessary in response to the public health emergency.

***Should States receiving a payment transfer funds to local governments that did not receive payments directly from Treasury?***

Yes, provided that the transferred funds are used by the local government for eligible expenditures under the statute. To facilitate prompt distribution of Title V funds, the CARES Act authorized Treasury to make direct payments to local governments with populations in excess of 500,000, in amounts equal to 45% of the local government's per capita share of the statewide allocation. This statutory structure was based on a recognition that it is more administratively feasible to rely on States, rather than the federal government, to manage the transfer of funds to smaller local governments. Consistent with the needs of all local governments for funding to address the public health emergency, States should transfer funds to local governments with populations of 500,000 or less, using as a benchmark the per capita allocation formula that governs payments to larger local governments. This approach will ensure equitable treatment among local governments of all sizes.

For example, a State received the minimum \$1.25 billion allocation and had one county with a population over 500,000 that received \$250 million directly. The State should distribute 45 percent of the \$1 billion it received, or \$450 million, to local governments within the State with a population of 500,000 or less.

***May a State impose restrictions on transfers of funds to local governments?***

Yes, to the extent that the restrictions facilitate the State's compliance with the requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance and other applicable requirements such as the Single Audit Act, discussed below. Other restrictions are not permissible.

***If a recipient must issue tax anticipation notes (TANs) to make up for tax due date deferrals or revenue shortfalls, are the expenses associated with the issuance eligible uses of Fund payments?***

If a government determines that the issuance of TANs is necessary due to the COVID-19 public health emergency, the government may expend payments from the Fund on the interest expense payable on TANs by the borrower and unbudgeted administrative and transactional costs, such as necessary payments to advisors and underwriters, associated with the issuance of the TANs.

***May recipients use Fund payments to expand rural broadband capacity to assist with distance learning and telework?***

Such expenditures would only be permissible if they are necessary for the public health emergency. The cost of projects that would not be expected to increase capacity to a significant extent until the need for distance learning and telework have passed due to this public health emergency would not be necessary due to the public health emergency and thus would not be eligible uses of Fund payments.

***Are costs associated with increased solid waste capacity an eligible use of payments from the Fund?***

Yes, costs to address increase in solid waste as a result of the public health emergency, such as relates to the disposal of used personal protective equipment, would be an eligible expenditure.

***May payments from the Fund be used to cover across-the-board hazard pay for employees working during a state of emergency?***

No. The Guidance says that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Hazard pay is a form of payroll expense and is subject to this limitation, so Fund payments may only be used to cover hazard pay for such individuals.



***May Fund payments be used for expenditures related to the administration of Fund payments by a State, territorial, local, or Tribal government?***

Yes, if the administrative expenses represent an increase over previously budgeted amounts and are limited to what is necessary. For example, a State may expend Fund payments on necessary administrative expenses incurred with respect to a new grant program established to disburse amounts received from the Fund.

***May recipients use Fund payments to provide loans?***

Yes, if the loans otherwise qualify as eligible expenditures under section 601(d) of the Social Security Act as implemented by the Guidance. Any amounts repaid by the borrower before December 30, 2020, must be either returned to Treasury upon receipt by the unit of government providing the loan or used for another expense that qualifies as an eligible expenditure under section 601(d) of the Social Security Act. Any amounts not repaid by the borrower until after December 30, 2020, must be returned to Treasury upon receipt by the unit of government lending the funds.

***May Fund payments be used for expenditures necessary to prepare for a future COVID-19 outbreak?***

Fund payments may be used only for expenditures necessary to address the current COVID-19 public health emergency. For example, a State may spend Fund payments to create a reserve of personal protective equipment or develop increased intensive care unit capacity to support regions in its jurisdiction not yet affected, but likely to be impacted by the current COVID-19 pandemic.

***May funds be used to satisfy non-federal matching requirements under the Stafford Act?***

Yes, payments from the Fund may be used to meet the non-federal matching requirements for Stafford Act assistance to the extent such matching requirements entail COVID-19-related costs that otherwise satisfy the Fund's eligibility criteria and the Stafford Act. Regardless of the use of Fund payments for such purposes, FEMA funding is still dependent on FEMA's determination of eligibility under the Stafford Act.

***Must a State, local, or tribal government require applications to be submitted by businesses or individuals before providing assistance using payments from the Fund?***

Governments have discretion to determine how to tailor assistance programs they establish in response to the COVID-19 public health emergency. However, such a program should be structured in such a manner as will ensure that such assistance is determined to be necessary in response to the COVID-19 public health emergency and otherwise satisfies the requirements of the CARES Act and other applicable law. For example, a per capita payment to residents of a particular jurisdiction without an assessment of individual need would not be an appropriate use of payments from the Fund.

***May Fund payments be provided to non-profits for distribution to individuals in need of financial assistance, such as rent relief?***

Yes, non-profits may be used to distribute assistance. Regardless of how the assistance is structured, the financial assistance provided would have to be related to COVID-19.

***May recipients use Fund payments to remarket the recipient's convention facilities and tourism industry?***

Yes, if the costs of such remarketing satisfy the requirements of the CARES Act. Expenses incurred to publicize the resumption of activities and steps taken to ensure a safe experience may be needed due to

the public health emergency. Expenses related to developing a long-term plan to reposition a recipient's convention and tourism industry and infrastructure would not be incurred due to the public health emergency and therefore may not be covered using payments from the Fund.

***May a State provide assistance to farmers and meat processors to expand capacity, such to cover overtime for USDA meat inspectors?***

If a State determines that expanding meat processing capacity, including by paying overtime to USDA meat inspectors, is a necessary expense incurred due to the public health emergency, such as if increased capacity is necessary to allow farmers and processors to donate meat to food banks, then such expenses are eligible expenses, provided that the expenses satisfy the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance.

***The guidance provides that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. May Fund payments be used to cover such an employee's entire payroll cost or just the portion of time spent on mitigating or responding to the COVID-19 public health emergency?***

As a matter of administrative convenience, the entire payroll cost of an employee whose time is substantially dedicated to mitigating or responding to the COVID-19 public health emergency is eligible, provided that such payroll costs are incurred by December 30, 2020. An employer may also track time spent by employees related to COVID-19 and apply Fund payments on that basis but would need to do so consistently within the relevant agency or department.

***May Fund payments be used to cover increased administrative leave costs of public employees who could not telework in the event of a stay at home order or a case of COVID-19 in the workplace?***

The statute requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. As stated in the Guidance, a cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget or (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. If the cost of an employee was allocated to administrative leave to a greater extent than was expected, the cost of such administrative leave may be covered using payments from the Fund.

**Questions Related to Administration of Fund Payments**

***Do governments have to return unspent funds to Treasury?***

Yes. Section 601(f)(2) of the Social Security Act, as added by section 5001(a) of the CARES Act, provides for recoupment by the Department of the Treasury of amounts received from the Fund that have not been used in a manner consistent with section 601(d) of the Social Security Act. If a government has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the Department of the Treasury.

***What records must be kept by governments receiving payment?***



A government should keep records sufficient to demonstrate that the amount of Fund payments to the government has been used in accordance with section 601(d) of the Social Security Act.

***May recipients deposit Fund payments into interest bearing accounts?***

Yes, provided that if recipients separately invest amounts received from the Fund, they must use the interest earned or other proceeds of these investments only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act and the Guidance on eligible expenses. If a government deposits Fund payments in a government's general account, it may use those funds to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary expenditures. Fund payments are not subject to the Cash Management Improvement Act of 1990, as amended.

***May governments retain assets purchased with payments from the Fund?***

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds provided by section 601(d) of the Social Security Act.

***What rules apply to the proceeds of disposition or sale of assets acquired using payments from the Fund?***

If such assets are disposed of prior to December 30, 2020, the proceeds would be subject to the restrictions on the eligible use of payments from the Fund provided by section 601(d) of the Social Security Act.

***Are Fund payments to State, territorial, local, and tribal governments considered grants?***

No. Fund payments made by Treasury to State, territorial, local, and Tribal governments are not considered to be grants but are "other financial assistance" under 2 C.F.R. § 200.40.

***Are Fund payments considered federal financial assistance for purposes of the Single Audit Act?***

Yes, Fund payments are considered to be federal financial assistance subject to the Single Audit Act (31 U.S.C. §§ 7501-7507) and the related provisions of the Uniform Guidance, 2 C.F.R. § 200.303 regarding internal controls, §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

***Are Fund payments subject to other requirements of the Uniform Guidance?***

Fund payments are subject to the following requirements in the Uniform Guidance (2 C.F.R. Part 200): 2 C.F.R. § 200.303 regarding internal controls, 2 C.F.R. §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

***Is there a Catalog of Federal Domestic Assistance (CFDA) number assigned to the Fund?***

Yes. The CFDA number assigned to the Fund is 21.019.

***If a State transfers Fund payments to its political subdivisions, would the transferred funds count toward the subrecipients' total funding received from the federal government for purposes of the Single Audit Act?***

Yes. The Fund payments to subrecipients would count toward the threshold of the Single Audit Act and 2 C.F.R. part 200, subpart F re: audit requirements. Subrecipients are subject to a single audit or program-



specific audit pursuant to 2 C.F.R. § 200.501(a) when the subrecipients spend \$750,000 or more in federal awards during their fiscal year.

***Are recipients permitted to use payments from the Fund to cover the expenses of an audit conducted under the Single Audit Act?***

Yes, such expenses would be eligible expenditures, subject to the limitations set forth in 2 C.F.R. § 200.425.

***If a government has transferred funds to another entity, from which entity would the Treasury Department seek to recoup the funds if they have not been used in a manner consistent with section 601(d) of the Social Security Act?***

The Treasury Department would seek to recoup the funds from the government that received the payment directly from the Treasury Department. State, territorial, local, and Tribal governments receiving funds from Treasury should ensure that funds transferred to other entities, whether pursuant to a grant program or otherwise, are used in accordance with section 601(d) of the Social Security Act as implemented in the Guidance.

**AGENDA # 6.9**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: AUGUST 4, 2020**

|                                |   |                        |  |
|--------------------------------|---|------------------------|--|
| <b>ORIGINATING DIVISION:</b>   | Planning & Res. Mgmt.   | <b>CONSENT AGENDA:</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                          |
| <b>ORIGINATING DEPARTMENT:</b> | Natural Resources   |                        |  |
| <b>PRESENTER:</b>              | Melissa Bokman Ermer - 8887   | <b>ATTACHMENTS:</b>    | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                          |
| <b>PROJECT:</b>                | Scott WMO   | <b>TIME REQUESTED:</b> | N/A  |
| <b>ACTION REQUESTED:</b>       | Authorize Submittal of a Clean Water Fund Grant Application to the Minnesota Board of Water and Soil Resources for a Permanent Outlet Structure on McMahon Lake |                        |  |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review  | <b>FISCAL:</b>         | <input checked="" type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

**ORGANIZATIONAL VALUES:**

- ☐ **Customer Service:** We will deliver government services in a respectful, responsive, and solution-oriented manner
- ☐ **Communication:** We will always be clear about what we're doing and why we're doing it
- ☒ **Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- ☒ **Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- ☐ **Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- ☐ **Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- ☐ **Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

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|--|---|
| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>  |
|  |   |
| <b>Approved:</b>                           | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b><br>Vanessa Strong, Water Resources Supervisor<br>Kate Sedlacek, Environmental Services Manager |
| <b>Denied:</b>                             |   |
| <b>Tabled:</b>                             |   |
| <b>Other:</b>                              |   |
| <b>Deputy Clerk :</b>                      |   |
| <b>Date:</b>                               |   |

**Background/Justification:**

The purpose of this agenda item is to authorize submittal of a Clean Water Fund Grant Application to the Minnesota Board of Water and Soil Resources for a permanent outlet structure on McMahon Lake.

The Minnesota Board of Water and Soil Resources (BWSR) is seeking applications for its Clean Water Fund Competitive Grants Program. Up to \$12 million is available for projects and practices grants.

Water levels on McMahon Lake have been rising over the past few years which is causing shoreline erosion, threatening the longevity of shoreline stabilizations that have been completed with landowners, and getting close to septic systems and accessory structures. The Lake level is within feet of the low point on Mushtown Road and has created a situation where much of the Minnesota Department of Natural Resources public access is under water.

Staff held several meetings with landowners around the Lake in 2019. At these meetings, staff learned that most landowners are in support of a permanent solution to stabilize the water level, even if it meant a cost-share arrangement. A feasibility study was completed in the spring of 2019 to identify a discharge route for a permanent outlet. In addition, Watershed Management Organization (WMO) staff completed a flow analysis to determine the recommended outlet discharge rate to protect against downstream flooding and streambank erosion.

WMO staff met with McMahon landowners (via Zoom) on July 21, and the landowners are in support of applying for a Clean Water Fund Grant. The Watershed Planning Commission reviewed the request for an application submittal and recommended approval to submit at their July 27 meeting. The application deadline to BWSR is coming up on August 17.

Fiscal Impact:

The total project cost is \$469,000. The required local match of 25% would be \$117,250. The match amount is currently available in the WMO's 2020 budget, but depending on fall precipitation, staff may need to request a budget amendment to use some of the funds for a temporary drawdown. Half of the required grant match would be paid by McMahon landowners through a special assessment. The landowners strongly supported an assessment at the last two resident meetings and requested Scott WMO staff to determine landowner assessment possibilities associated with this option.

**AGENDA # 6.10**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: AUGUST 4, 2020**

|                                |  |                        |  |
|--------------------------------|--|------------------------|--|
| <b>ORIGINATING DIVISION:</b>   | Community Services   | <b>CONSENT AGENDA:</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                          |
| <b>ORIGINATING DEPARTMENT:</b> |  | <b>ATTACHMENTS:</b>    | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                          |
| <b>PRESENTER:</b>              | Cindy Geis<br>Perry Mulcrone   | <b>TIME REQUESTED:</b> |  |
| <b>PROJECT:</b>                | Fiber Towers   |                        |  |
| <b>ACTION REQUESTED:</b>       | Adopt Resolution 2020-110; Authorizing Entering Into an Agreement With Access Networks, Inc. to Expand Broadband in Underserved and Unserved Areas of Scott County |                        |  |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input checked="" type="checkbox"/> County Attorney Review<br><input checked="" type="checkbox"/> Risk Management Review   | <b>FISCAL:</b>         | <input checked="" type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

**ORGANIZATIONAL VALUES:**

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- ☒ **Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- ☐ **Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
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- ☐ **Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

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| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>   |
|  |  |
| <b>Approved:</b>                           | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b><br><br>Cindy Geis, Community Services Director<br>Perry Mulcrone, Enterprise Business Technology Director |
| <b>Denied:</b>                             |  |
| <b>Tabled:</b>                             |  |
| <b>Other:</b>                              |  |
| <b>Deputy Clerk :</b>                      |  |
| <b>Date:</b>                               |  |

**Background/Justification:**

The purpose of this agenda item is to adopt Resolution 2020-110; Authorizing Entering into an Agreement With Access Networks, Inc. to Expand Broadband in Underserved and Unserved Areas of Scott County.

Since early 2020, Scott County has been impacted by an outbreak of a respiratory disease caused by a novel coronavirus that has been detected across the world, including in Minnesota.

- On March 11, the World Health Organization declared COVID-19 as a pandemic.
- On March 13, the President of the United States declared a national emergency for the COVID-19 pandemic.
- On March 13, the Governor of Minnesota declared a peacetime emergency due to the COVID-19 pandemic.
- On March 17, 2020, the Scott County Board of Commissioners declared a local state of emergency due to the COVID-19 pandemic.

On March 27, 2020, the Federal Government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provides over \$2 trillion in federal economic relief to protect the American people from the public health and economic impacts of COVID-19. Part of those funds were sent to states for local allocation and disbursement.

Minnesota Governor Tim Walz, through executive authority and a legislative review committee, allocated and dispersed a portion of Minnesota's CARES Act funds as Local Government Assistance based on population targets to counties, cities and townships throughout the state. Scott County has received \$17,719,998.

The funds may be spent by the local agencies to offset public health and economic impacts of COVID-19. In order to be eligible for the funding expenditures must pass a three-step test:

1. Expenses must be necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)
2. They must be costs that were not accounted for in the budget most recently approved as of March 27, 2020
3. Performance or delivery must occur during the covered period, but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred.) The County deadline is 12/1/2020.

To assist in understanding eligible expenses, the United States Department of the Treasury published two documents: *Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated June 30, 2020* ("Guidance"); and *Coronavirus Relief Fund Frequently Asked Questions Updated as of July 8, 2020* ("Frequently Asked Questions").

All CARES Act Funds are subject to State and Federal audit for use of the funds. This means that any subrecipients of CARES Funds from the County must also meet audit requirements.

The Scott County Board of Commissioners met in a workshop on July 7, 2020 to discuss and reiterated at their County Board meeting on July 21, 2020, their goals for allocation of the County's CARES funds. The County Board indicated that local business support was their highest priority with housing security, food security, nonprofit support, school support, and rural broadband also being priorities. The goals behind this focus are:

- Keeping employees working or getting residents working again;
- Filling in gaps that unemployment insurance (+ stimulus), Payroll Protection Program (PPP) and other programs didn't serve;
- Helping businesses, organizations, and residents most harmed by the pandemic;
- Providing support to business that can sustain and grow the economy;
- Supporting operational changes to keep businesses operating during the pandemic;
- Providing food support for families at risk in the short term;
- Targeting rental and mortgage programs to those in need not covered by State;
- Supporting distance learning; and
- Supporting childcare for essential employees.

On August 4, 2020 the Scott County Board of Commissioners will consider passing a resolution approving the establishment of a Special Revenue Fund for the CARES Act funds.



As part of the State of Minnesota Executive Order 20-20 (Stay at Home Minnesota) the Governor has ordered the reduced capacity of businesses and encourages teleworking from home when at all possible until August 13. This peacetime emergency will also likely include the extension of some level of remote education for school starting this fall as well as the continued limited operation of businesses interactions with the public. This order affected how health care professionals conduct their practices and work with their patients through telemedicine throughout Scott County.

Scott County has been aware of limited internet service areas in the County and has been working on a strategic plan that would help lay the groundwork to utilize our fiber backbone in partnership with private providers to areas of the County with poor or no service. The COVID-19 Health Crisis has exacerbated the demand for internet and for adequate broadband access throughout the County and has escalated the issue requiring faster speeds, increased broadband capacity, and most particularly, service to areas where there is none. The COVID-19 emergency has created an immediate need for the County fiber network to increase its capability to support our schools, health practitioners, and business as they have had to change their operational models.

The need for services in unserved areas of the County is critical, and the County has met with current contracted partners to see what can be done quickly in order to get those services to the residents and businesses that need them. There is still an extremely large working population that need high speed internet with increased capacity in order to work from home. Children and college students residing in the County are studying from home, requiring them to conduct e-learning with their schools. Healthcare professionals and their patients in all disciplines need to connect remotely. Many businesses have had to revise their service delivery and operation plans to continue to provide services remotely.

We have communicated with Schools regarding student needs and have identified pockets in the community that have an immediate need for service. The County does not provide internet service itself to customers but can leverage its fiber network along with a partner willing to provide the end user service.

To meet the need of the quick expansion of Broadband accessibility to our residents, the County would need a partner that could meet all the following requirements:

- Deliver services to the remaining underserved and unserved areas by December 1, 2020; and
- Ability to obtain all the necessary permits and have them in place for construction; and
- Has the ability to establish business relationships with entities that own the infrastructure where the equipment would be placed; and
- Has resilient, redundant fiber backhaul in place to ensure performance to the business and students requiring minimal latency; and
- Can provide service directly or is able to contract for direct broadband services to homes and businesses; and
- Ability to guarantee broadband service levels that exceed the FCC's recommended minimums of 25Mbps / 3Mbps for internet download and upload speeds; and
- Will provide reduced rate services to residents during the pandemic period.

The County initially identified 14 potential providers of service that operate in and around Scott County. In order to move this project as quickly as possible for public exigency, the County had direct discussions with the providers and analyzed offered services, and determined that only one provider, Access Networks, Inc., was willing and capable of providing services that met the County's needs. (see Exhibit A for Access Network Plan for Build and Costs)

The proposed solution to the Township areas where service levels are either non-existent, or below the standards needed to be able to perform work, conduct telemedicine, and do educational work from home, is as follows:

Blakeley, Belle Plaine, St Lawrence, Sand Creek, Helena, Cedar Lake, Credit River Townships:

- Install equipment on select existing Macro Towers (180' – 250') in multiple townships

- Install 13-15 micro pop towers (40' poles) throughout township areas
- Construct fiber backhaul laterals to backbone fiber from each micro and macro towers

Additional Infrastructure in the Cities of Shakopee and Savage for School District Connectivity:

- Construct equipment on the Shakopee Tower by Canterbury along Co Rd 83 that will serve low income communities and students in both East Shakopee and North Savage (identified by the School Districts as poor service areas)
- Construct equipment on the Savage Tower by Co Rd 42 and Co Rd 27 that will cover North Prior Lake, North Credit River and South Savage communities and students
- Construct fiber backhaul to backbone fiber and Schools fiber network in both locations

Attachment A shows the preliminary construction map for the areas above.

For all of these areas, Access Networks will:

- Provide 5G and 900 Mhz service within a 7-mile radius of the tower
- Provide 5G and 900 Mhz service within 2.5 miles of each micro-pop tower
- Guarantee speeds of 30/Mbps — 100/Mbps per second symmetrical internet upload and download speeds
- Remove any limits on bandwidth to allow full speed availability to customers
- Provide a reduced installation fee and reduced subscription services for customers
- Guarantee no disconnection to those with financial hardship to make payments

Staff has spoken to school districts and most of the townships at this time and have had verbal commitments of Federal CARES dollars to help in the cost of deploying the infrastructure needed to residents and students. To date, the Townships of Belle Plaine, Blakeley, Cedar Lake, Helena, and St Lawrence have all committed most or all of their funding for this purpose. The school districts of Shakopee and Belle Plaine have also verbally stated that they would have some funding toward this initiative from their CARES funding.

Additional conversations are needed with the Townships of Credit River, Louisville, Spring Lake and Sand Creek as there are still areas within those townships where full service may not have been attained with the first rounds of installation of equipment, back in May of this year. The school districts of Prior Lake-Savage, Jordan, and New Prague also need to be communicated with in order to determine whether they will have funding for this initiative. There have been no Board actions taken to date from any Township or School District. Staff will continue to work with these government agencies over the next several weeks to firm up commitments and modify or remove areas where townships or schools have no interest (right-size the initiative).

The County Board at their workshop on July 21, 2020 clearly indicated this was to be a three-way partnership for construction of the needed infrastructure. The Board's expectation is that each local community contribute financially, understanding that the County will have to subsidize certain locations due to cost. There was also an expectation that the private sector has a contribution similar to the work done earlier this spring. The full cost of the rural build out is \$1,271,188.72. This includes the construction of equipment on towers, the construction of micro towers, and the backhaul of the fiber. It was determined that utilizing fiber for the backhaul is necessary in order to provide the most reliable service to the residents for business and school use versus tower hopping which could lead to latency issues. These costs are expected to be covered by County, Township, City and School CARES funds. The other clear directive is this work must be completed by December 1, 2020.

The cost for each home connection (assuming 2500 homes connect) is \$750/home but customers will only be charged \$149/home for connection and the remaining \$600.01/home will be the responsibility of Netwave Broadband. Customers will be charged a monthly fee of \$49.95 per month for up to 40 mg service for a period of 5-years. If a router is needed, an additional \$9.99 will be needed. The total contribution of Netwave Broadband to the direct connection to the home is \$1,500,025.

The full cost of the student connection part of this initiative is based upon 400 students get connectivity. The equipment cost for each connection is \$499, which totals \$199,600. This cost is expected to be paid for with Federal CARES dollars from the County, Township and Schools. The e-rate cost per student is \$20 which will provide those students with direct connection to the school's fiber network. The fee will be billed to the School district, who will be reimbursed by the Federal Government. If the student's families want full access to internet, their fee will be \$29.99/month and they will need to pay the \$149 payment for full internet connection.

Scott County staff recommends moving forward the installation of the equipment for those townships and schools who have expressed a commitment of Federal CARES dollars to aid in the payment of the costs.

#### Fiscal Impact:

Scott County will use Federal CARES dollars to fund its contribution of this project. Scott County has committed \$1,000,000 in CARES dollars for the purposes of providing adequate and affordable internet to those identified low income housing developments and to areas that are unserved or underserved within the County. It is expected that this project's rollout of infrastructure will be 'right-sized' once the County has a firm commitment from townships and schools has been received. The County's portion of this initiative is estimated to be approximately \$600,000 (for full build-out) with the remainder of the dollars coming from CARES funding from the townships and schools. If townships determine not to participate and not return the funds, the County's portion will be downsized. This is in alignment with the County Board's request that everyone contribute (provider, County, and local government)

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                |
|----------------------------------|----------------|
| <b>Date:</b>                     | August 4, 2020 |
| <b>Resolution No.:</b>           | 2020-110       |
| <b>Motion by Commissioner:</b>   |                |
| <b>Seconded by Commissioner:</b> |                |

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**RESOLUTION 2020-110; AUTHORIZING ENTERING INTO AN AGREEMENT WITH ACCESS NETWORKS, INC. TO EXPAND BROADBAND IN UNDERSERVED AND UNSERVED AREAS OF SCOTT COUNTY**

WHEREAS, COVID-19, a global pandemic has caused a public health emergency at all levels of government in the United States; and

WHEREAS, response and support to affected individuals, communities, medical systems, business, and government has caused significant impact to the County as a whole; and

WHEREAS, COVID-19, has caused and will continue to cause increased service needs on County functions and additional work for staff; and

WHEREAS, COVID-19 has had significant impacts on the businesses and residents of Scott County; and

WHEREAS, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed on March 27, 2020, provides over \$2 trillion in federal economic relief to protect the American people from the public health and economic impacts of COVID-19; and

WHEREAS, Governor Tim Walz on June 26, 2020 formally allocated funding for counties, cities, and townships in the State of Minnesota, to provide support and economic relief on a local level, with Scott County receiving \$17,719,998 from the CARES Act; and

WHEREAS, the Federal CARES Act funds are subject to State and Federal spending requirements and subject to State and Federal Audit; and

WHEREAS, the Scott County Board of Commissioners has been presented and has approved a plan for the use of the County's allocation; and

WHEREAS, the Scott County Board of Commissioners desire the funds to be accounted for in a manner that will demonstrate full compliance with Federal requirements and guidance; and

WHEREAS, the COVID-19 pandemic has required an immediate response from the County and other local units of governments to take measures to ensure that residents can work from home, students can school at home, healthcare professionals can provide telemedicine to their patients in all disciplines, and residents can stay informed as the virus spreads; and

WHEREAS, the County initially identified 14 potential providers of service that operate in and around Scott County but through discussion with the providers and analyzing offered services, it was determined that only one provider, Access Networks, Inc., was willing and capable of providing services that met the County's needs; and

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                |
|----------------------------------|----------------|
| <b>Date:</b>                     | August 4, 2020 |
| <b>Resolution No.:</b>           | 2020-110       |
| <b>Motion by Commissioner:</b>   |                |
| <b>Seconded by Commissioner:</b> |                |

WHEREAS, the cost for a full build out to deploy fixed wireless equipment to macro towers and micro towers with fiber backhaul to rural areas to unserved and underserved areas for internet broadband service is estimated to be \$1,271,189, not including the cost of installation to individual homes, and this cost is expected to be covered by Federal CARES dollars from the County, Townships and Schools; and

WHEREAS, the direct connection to each home is \$750/home, and the cost to the resident will be no more than \$149.99 and the rest of the cost will be the responsibility of the provider, which is anticipated to be a contribution to the project in the amount of \$1,500,025 (assuming 2500 homes are connected); and

WHEREAS, the cost for students connectivity onto school networks (assuming 400 students) has an equipment cost of \$199,600 which is expected to be covered by Federal CARES dollars from the County, Townships and Schools and the cost of connection to the School network has an e-rate cost of \$20/student, which will be billed to the School District, and covered by a reimbursement by the Federal Government; and

WHEREAS, the County's total cost for broadband improvement efforts for this project is expected to be approximately \$600,000 of Federal CARES dollars, with the remainder of the costs being covered by Federal CARES dollars from the schools and townships; and

WHEREAS, the overall project will be right sized based upon the commitment of funding from all parties involved, County, Township, School, and Provider; and

WHEREAS, at a County Board meeting on July 21, 2020 the Board reviewed and determined the County's plan for directing CARES funds to support delivery of broadband internet service to low income households and to unserved or underserved areas with the County through projects increasing tower coverage and multi-family site improvements for people impacted by COVID-19 is a necessary and reasonable response to the COVID-19 Pandemic, and there eligible for use of CARES Act Funds; and

WHEREAS, the County's plan is consistent with the United States Department of the Treasury's "Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated June 30 attached and incorporated as attachment B, 2020" and "Coronavirus Relief Fund Frequently Asked Questions Updated As of July 8, 2020" attached and incorporated as attachment C.

NOW THEREFORE BE IT RESOLVED, the Scott County Board of Commissioners authorizes the County Administrator to enter into an Agreement with Access Networks, Inc. for the construction of equipment on existing towers, the construction of micro-towers where needed to ensure coverage, and the construction of fiber backhaul laterals to the County's fiber network, in order to provide long term broadband internet access to locations currently unserved or underserved.

BE IT FURTHER RESOLVED, that the County's total cost in aiding in the delivery of internet to low income households and to unserved or underserved areas within the County through projects increasing tower coverage and multi-family site improvements shall be paid from the CARES Act Special Revenue Fund in an amount targeted at \$1,000,000, with this project anticipated to have a County contribution of approximately \$600,000.



**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                |
|----------------------------------|----------------|
| <b>Date:</b>                     | August 4, 2020 |
| <b>Resolution No.:</b>           | 2020-110       |
| <b>Motion by Commissioner:</b>   |                |
| <b>Seconded by Commissioner:</b> |                |

BE IT FINALLY RESOLVED, that approval of this Agreement is subject to approval by the County Attorney's Office as to form.

| <b>COMMISSIONERS</b> | <b>VOTE</b>   |
|----------------------|---|
| Weckman Brekke       | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Wolf                 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beard                | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beer                 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Ulrich               | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |

**State of Minnesota)**  
**County of Scott    )**

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 4<sup>th</sup> day of August, 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 4<sup>th</sup> day of August, 2020.

\_\_\_\_\_  
\_\_\_\_\_

County Administrator

Administrator's Designee



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## **Public Private Partnership**



## **PHASE 2 Fixed Wire Deployments**

Current Design

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## Scott County Covid-19 Underserved, Student and Low-Income Broadband Deployment

July 29, 2020

In response to the COVID-19 Health Crisis, Access Networks is proposing the attached solution to help meet the needs of student in low income family housing. As a result of the COVID-19 Pandemic and Minnesota's Peacetime Emergency, Scott County's students are doing more eLearning from home. Without affordable and adequate internet access, it is difficult for students to work with their instructors. Adequate internet is defined as broadband services that are above the FCC and Minnesota State Office of Broadband Developments recommended broadband speeds of 25 Mbps download and 3 Mbps upload speeds (underserved). Affordable access is designed to provide access to low-income housing locations throughout the County as well as students on the free and reduced lunch program. In the spring during the peacetime emergency due to COVID-19, many low-income students requested cellular hotspots from their Schools as solution to gain access. However, these cellular hotspots are at speeds below the FCC recommended broadband levels.

Access Networks is a trusted partner as Scott County has an existing relationship with Access Networks Inc to perform the following activities:

- Develop and promote open access and increased broadband availability and use in underserved and unserved areas of the County
- Assist with the promotion of economic development in the County
- Develop wireless WI-FI capabilities in the County in underserved and unserved areas of the County
- Maintain the County's fiber network
- Assist and collaborate with local governments with fiber planning due to identified needs

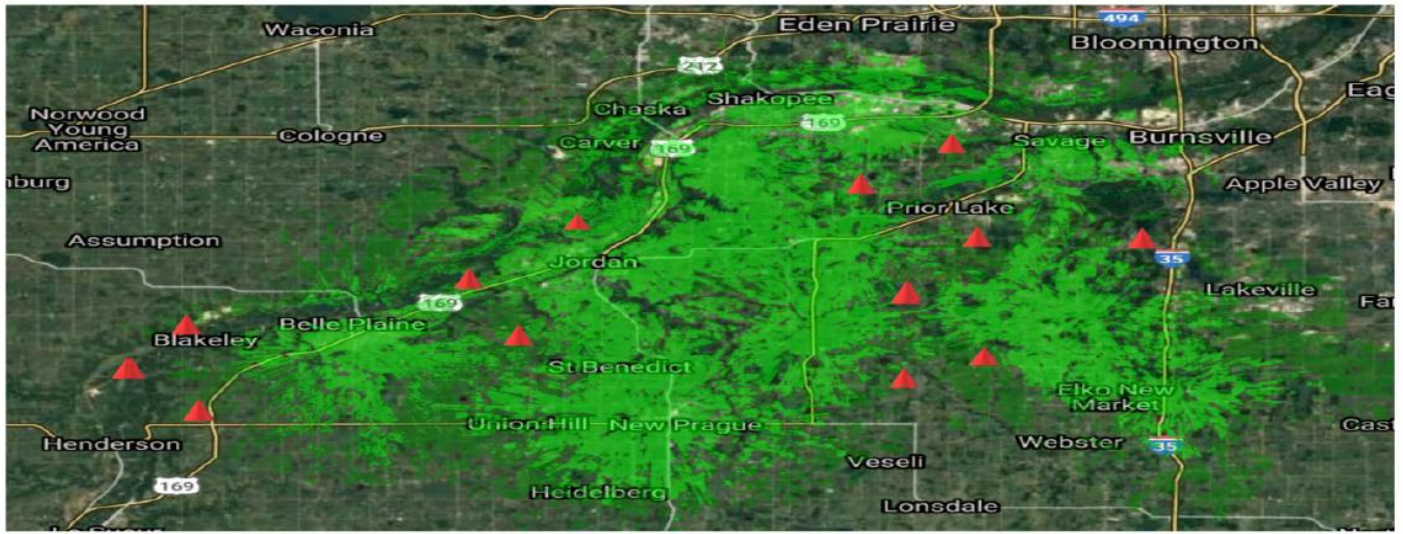
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**Target** – Deployment of a High-Speed Internet Access to the Under Served and Non- served community working from home for business and School students. Installation of fiber backbone to downtown Blakeley and south Blakeley for the installation of Micro Pops location to cover downtown Businesses and Residents.

**Locations:** Blakeley Township Downtown and South Blakeley Helena and Cedar Lake South Sand Creek, South Spring Lake, and Cedar Creek, Credit River Townships

**Scope of Work:** Coverage of all listed locations using 5 GHz and 900 MHz Fixed Wireless. Installation of 5 GHz and 900 MHz equipment on 5 Towers with Construction of Lateral Fiber to existing Backbone fiber. 13 Micro Pop locations in Red triangles locations. See Pricing below.

### Current Coverage Map



## Service Cost

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Internet Service Program to End user is Installation 149.00 and 49.95 per month up to 40 meg and up to 5-year contract for service. If Router is needed 9.99 a month will be added.

Any Fiber Assets built will be owned by Scott County - 6 strands will be IRU to Access Networks for use.

- **COVID PRICING ON UNTIL EMERGENCY ORDER IS DONE or until end of year.**

## OPTIONAL STUDENT PROGRAM

As part of this public private partnership Access Networks will cost share with Scott County to help reduce expense for the students in Scott County to help make internet services more affordable. Access will pay labor cost to build and support the system and Scott County will contribute financially with 1-time capital to help purchase the subscriber units for students to reduce their cost. Units are \$499.99 per household and will allow the student to receive up to 100MBps internet service for an install fee of \$149.99 a monthly cost of \$29.99 to K-12 approved web pages. The total number of students right now is estimate to be 400 students on fixed wireless that number could fluctuate up or down. Any dollars not spent on this equipment will be returned to Scott County by December 1<sup>st</sup> 2020. If the family wishes to purchase an internet connect it is an additional \$20 per month. Managed routers are also available for \$9.99 per month. See Pricing below.

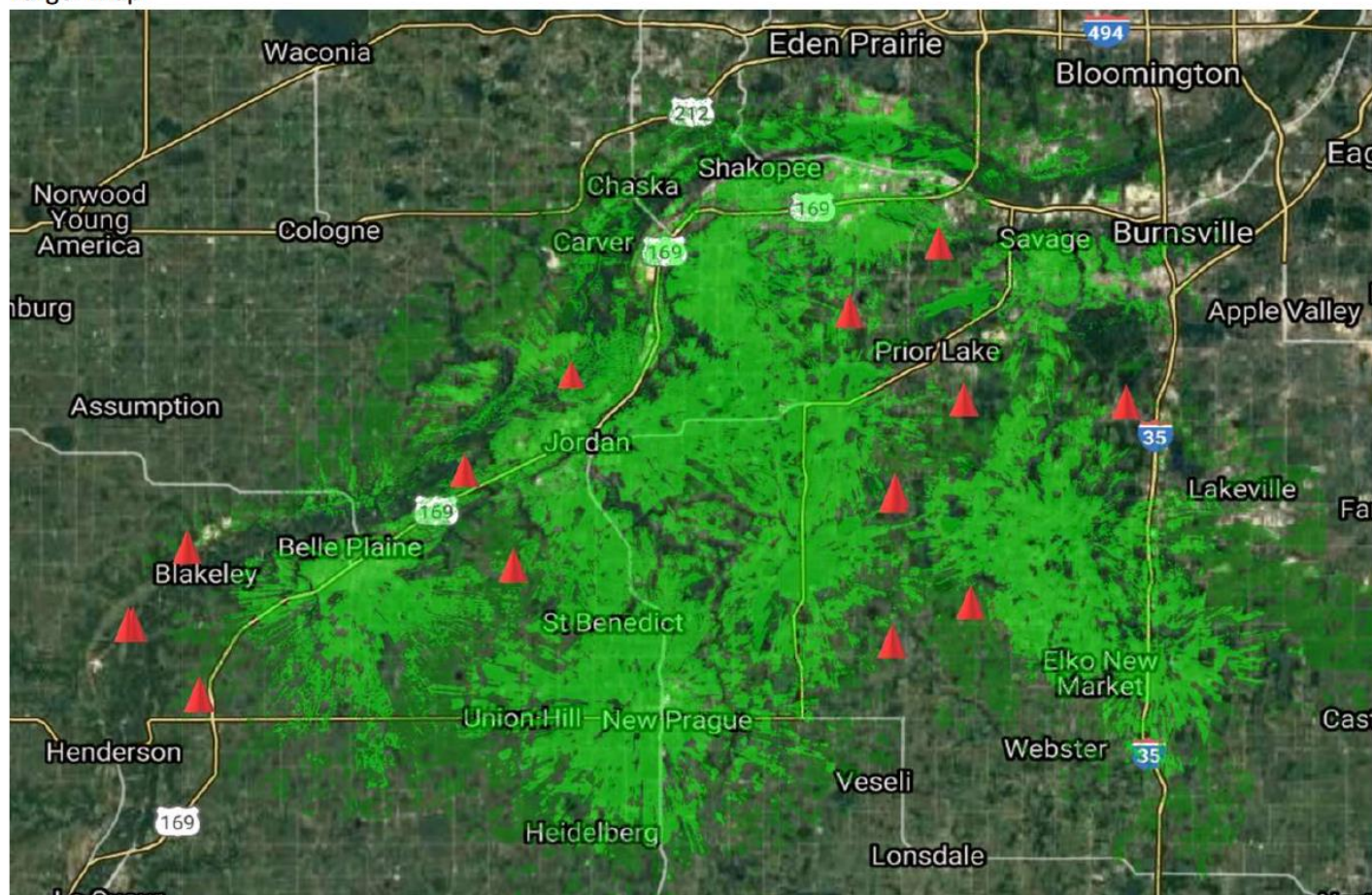
## Access Networks Contribution

| ACCESS Networks Contribution           | Number of Home Units | Customer payment | Access Contribution | outlay of expenses per home | Total Contribution |
|--|----------------------|------------------|---------------------|-----------------------------|--------------------|
| Home Side Electronics and Installation | 2,500.00             | \$ (149.99)      | \$ 750.00           | \$ 600.01                   | \$ 1,500,025.00    |



| Scott County   |                      |                  |                          |                             |                            |  |
|--|----------------------|------------------|--------------------------|-----------------------------|----------------------------|--|
| Rural Build Out  |                      |                  |                          |                             |                            |  |
| Location   | Tower Cost           |                  | Fiber Backhaul           |                             | Ext Price                  | NOTES  |
| Downtown Blakeley  | \$ -                 | \$ -             | \$ 88,754.11             |                             | \$ 88,754.11               | Fiber line from HWY 169 to Downtown Blakelley with Micro POP 48/1-empty duct   |
| South Blakeley   | \$ -                 | \$ -             | \$ 46,525.11             |                             | \$ 46,525.11               | Fiber line into South Blakeley with Micro POP 48/1-empty duct  |
| HWY 13 Kaiser Farm or gondor Tower - Fiber construction Hwy 13 - Helena- Cedar Lake  | \$ 105,000.00        |                  | \$ 285,465.00            |                             | \$ 390,465.00              | Kaiser Farm tower - Fiber Installation on Hwy 13 to farm   |
| New Prouge west tower coverage to Helena- Cedar lake   | \$ 105,000.00        |                  | \$ 29,847.00             |                             | \$ 134,847.00              | 6th street tower and fiber build   |
| Credit River South - Credit River AMT-CR8 CR27 covers south Spring Lake, New Market NW ,Cedar Lake   | \$ 105,000.00        |                  | \$ 15,484.00             |                             | \$ 120,484.00              | CR8 - CR 27 - GRE tower fiber to back bone   |
| Credit River North - Savage Water tower covers N Prior Lake, N Credit River, and south savage  | \$ 105,000.00        |                  | \$ 27,881.00             |                             | \$ 132,881.00              | CR42 - CR 27 Savage water Tower - fiber to Back bone   |
| Canterbury - CR 83 Shakopee Tower covers east Shakopee north Savage  | \$ 105,000.00        |                  | \$ 28,750.00             |                             | \$ 133,750.00              | Shakopee Tower to cover Low income properties  |
| MicroPop - Per location - \$13,152.50 Per Location - 13 Sites<br>NOTE: Internet Service Program to End user is Installation 149.00 and 49.95 per month up to 40 meg and up to 5 year contract for service<br>Any Fiber Assets built will be owned by Scott County - 6 strands will be IRU to Access Networks for use. COVID PRICING ON UNTIL EMERGENCY ORDER IS DONE | \$ 170,982.50        |                  | \$ 52,500.00             |                             | \$ 223,482.50              | Micro Pop and Fiber backbone splicing with optional camera and speakers<br><br>*MicroPops are used in low lying areas that cant be serviced from the main towers. These locations could also be used for cameras and Civil Defense systems. County will need to supply materials needed and labor to outfit the poles for these systems. If this is of intrest we will explore further with the SC Emergency Manager |
| Totals   | \$ 695,982.50        |                  | \$ 575,206.22            |                             | \$ 1,271,188.72            | Yellow Highlighted C.A.R.E.S. Funding Request  |
| Public Private Contribution  |                      |                  |                          |                             |                            |  |
| ACCESS Networks Contribution   | Number of Home Units | Customer payment | Access Contribution      | outlay of expenses per home | Total Contribution         |  |
| Home Side Electronics and Installation   | 2,500.00             | \$ (149.99)      | \$ 750.00                | \$ 600.01                   | \$ 1,500,025.00            |  |
| Student Connection   | USERS                | Equipment Cost   | Ext Radio Equipment cost | Monthly Fee                 | Customer Installation Cost |  |
| County Cost on Students Fixed Wireless   | 400                  | \$ 499.00        | \$ 199,600.00            | N/A                         | N/A                        | Yellow Highlighted C.A.R.E.S. Funding Request County Will Set Income requirment for Program - Free and Reduced Lunch Program Maybe?  |
| Students cost on Fixed Wireless  |                      |                  |                          | \$ 29.99                    | \$ 149.00                  | my understanding is e-rate is picking up some of the cost  |
| Family Added Service Router  |                      |                  |                          | \$ 20.00                    |                            | I flipped rates on refunded program  |
|  |                      |                  |                          | \$ 9.99                     |                            | Router supplied by Netwave   |

Larger Map



## Attachment B

### **Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments Updated June 30, 2020<sup>1</sup>**

The purpose of this document is to provide guidance to recipients of the funding available under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). The CARES Act established the Coronavirus Relief Fund (the “Fund”) and appropriated \$150 billion to the Fund. Under the CARES Act, the Fund is to be used to make payments for specified uses to States and certain local governments; the District of Columbia and U.S. Territories (consisting of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands); and Tribal governments.

The CARES Act provides that payments from the Fund may only be used to cover costs that—

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.<sup>2</sup>

The guidance that follows sets forth the Department of the Treasury’s interpretation of these limitations on the permissible use of Fund payments.

#### ***Necessary expenditures incurred due to the public health emergency***

The requirement that expenditures be incurred “due to” the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

The statute also specifies that expenditures using Fund payments must be “necessary.” The Department of the Treasury understands this term broadly to mean that the expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending Fund payments.

#### ***Costs not accounted for in the budget most recently approved as of March 27, 2020***

The CARES Act also requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either (a) the

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<sup>1</sup> This version updates the guidance provided under “Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020”.

<sup>2</sup> See Section 601(d) of the Social Security Act, as added by section 5001 of the CARES Act.

cost cannot lawfully be funded using a line item, allotment, or allocation within that budget or (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

The “most recently approved” budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

***Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020***

Finally, the CARES Act provides that payments from the Fund may only be used to cover costs that were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020 (the “covered period”). Putting this requirement together with the other provisions discussed above, section 601(d) may be summarized as providing that a State, local, or tribal government may use payments from the Fund only to cover previously unbudgeted costs of necessary expenditures incurred due to the COVID-19 public health emergency during the covered period.

Initial guidance released on April 22, 2020, provided that the cost of an expenditure is incurred when the recipient has expended funds to cover the cost. Upon further consideration and informed by an understanding of State, local, and tribal government practices, Treasury is clarifying that for a cost to be considered to have been incurred, performance or delivery must occur during the covered period but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred). For instance, in the case of a lease of equipment or other property, irrespective of when payment occurs, the cost of a lease payment shall be considered to have been incurred for the period of the lease that is within the covered period, but not otherwise.

Furthermore, in all cases it must be necessary that performance or delivery take place during the covered period. Thus the cost of a good or service received during the covered period will not be considered eligible under section 601(d) if there is no need for receipt until after the covered period has expired.

Goods delivered in the covered period need not be used during the covered period in all cases. For example, the cost of a good that must be delivered in December in order to be available for use in January could be covered using payments from the Fund. Additionally, the cost of goods purchased in bulk and delivered during the covered period may be covered using payments from the Fund if a portion of the goods is ordered for use in the covered period, the bulk purchase is consistent with the recipient’s usual procurement policies and practices, and it is impractical to track and record when the items were used. A recipient may use payments from the Fund to purchase a durable good that is to be used during the current period and in subsequent periods if the acquisition in the covered period was necessary due to the public health emergency.

Given that it is not always possible to estimate with precision when a good or service will be needed, the touchstone in assessing the determination of need for a good or service during the covered period will be reasonableness at the time delivery or performance was sought, e.g., the time of entry into a procurement contract specifying a time for delivery. Similarly, in recognition of the likelihood of supply chain disruptions and increased demand for certain goods and services during the COVID-19 public health emergency, if a recipient enters into a contract requiring the delivery of goods or performance of services by December 30, 2020, the failure of a vendor to complete delivery or services by December 30, 2020, will not affect the ability of the recipient to use payments from the Fund to cover the cost of such goods or services if the delay is due to circumstances beyond the recipient’s control.



This guidance applies in a like manner to costs of subrecipients. Thus, a grant or loan, for example, provided by a recipient using payments from the Fund must be used by the subrecipient only to purchase (or reimburse a purchase of) goods or services for which receipt both is needed within the covered period and occurs within the covered period. The direct recipient of payments from the Fund is ultimately responsible for compliance with this limitation on use of payments from the Fund.

#### *Nonexclusive examples of eligible expenditures*

Eligible expenditures include, but are not limited to, payment for:

1. Medical expenses such as:
  - COVID-19-related expenses of public hospitals, clinics, and similar facilities.
  - Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
  - Costs of providing COVID-19 testing, including serological testing.
  - Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
  - Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
2. Public health expenses such as:
  - Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
  - Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
  - Expenses for disinfection of public areas and other facilities, *e.g.*, nursing homes, in response to the COVID-19 public health emergency.
  - Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
  - Expenses for public safety measures undertaken in response to COVID-19.
  - Expenses for quarantining individuals.
3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:
  - Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
  - Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
  - Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.



- Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
  - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
  - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
    - Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
    - Expenditures related to a State, territorial, local, or Tribal government payroll support program.
    - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
  6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

*Nonexclusive examples of ineligible expenditures<sup>3</sup>*

The following is a list of examples of costs that would *not* be eligible expenditures of payments from the Fund.

1. Expenses for the State share of Medicaid.<sup>4</sup>
2. Damages covered by insurance.
3. Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
5. Reimbursement to donors for donated items or services.
6. Workforce bonuses other than hazard pay or overtime.
7. Severance pay.
8. Legal settlements.

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<sup>3</sup> In addition, pursuant to section 5001(b) of the CARES Act, payments from the Fund may not be expended for an elective abortion or on research in which a human embryo is destroyed, discarded, or knowingly subjected to risk of injury or death. The prohibition on payment for abortions does not apply to an abortion if the pregnancy is the result of an act of rape or incest; or in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed. Furthermore, no government which receives payments from the Fund may discriminate against a health care entity on the basis that the entity does not provide, pay for, provide coverage of, or refer for abortions.

<sup>4</sup> See 42 C.F.R. § 433.51 and 45 C.F.R. § 75.306.

Attachment C  
**Coronavirus Relief Fund  
Frequently Asked Questions  
Updated as of July 8, 2020**

The following answers to frequently asked questions supplement Treasury's Coronavirus Relief Fund ("Fund") Guidance for State, Territorial, Local, and Tribal Governments, dated April 22, 2020, ("Guidance").<sup>1</sup> Amounts paid from the Fund are subject to the restrictions outlined in the Guidance and set forth in section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act").

**Eligible Expenditures**

***Are governments required to submit proposed expenditures to Treasury for approval?***

No. Governments are responsible for making determinations as to what expenditures are necessary due to the public health emergency with respect to COVID-19 and do not need to submit any proposed expenditures to Treasury.

***The Guidance says that funding can be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. How does a government determine whether payroll expenses for a given employee satisfy the "substantially dedicated" condition?***

The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

***The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a "substantially different use" for purposes of the Fund eligibility?***

Costs incurred for a "substantially different use" include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty's ordinary responsibilities.

Note that a public function does not become a "substantially different use" merely because it is provided from a different location or through a different manner. For example, although developing online instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.

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<sup>1</sup> The Guidance is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.

***May a State receiving a payment transfer funds to a local government?***

Yes, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act. Such funds would be subject to recoupment by the Treasury Department if they have not been used in a manner consistent with section 601(d) of the Social Security Act.

***May a unit of local government receiving a Fund payment transfer funds to another unit of government?***

Yes. For example, a county may transfer funds to a city, town, or school district within the county and a county or city may transfer funds to its State, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, a transfer from a county to a constituent city would not be permissible if the funds were intended to be used simply to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.

***Is a Fund payment recipient required to transfer funds to a smaller, constituent unit of government within its borders?***

No. For example, a county recipient is not required to transfer funds to smaller cities within the county's borders.

***Are recipients required to use other federal funds or seek reimbursement under other federal programs before using Fund payments to satisfy eligible expenses?***

No. Recipients may use Fund payments for any expenses eligible under section 601(d) of the Social Security Act outlined in the Guidance. Fund payments are not required to be used as the source of funding of last resort. However, as noted below, recipients may not use payments from the Fund to cover expenditures for which they will receive reimbursement.

***Are there prohibitions on combining a transaction supported with Fund payments with other CARES Act funding or COVID-19 relief Federal funding?***

Recipients will need to consider the applicable restrictions and limitations of such other sources of funding. In addition, expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds, are not eligible uses of Fund payments.

***Are States permitted to use Fund payments to support state unemployment insurance funds generally?***

To the extent that the costs incurred by a state unemployment insurance fund are incurred due to the COVID-19 public health emergency, a State may use Fund payments to make payments to its respective state unemployment insurance fund, separate and apart from such State's obligation to the unemployment insurance fund as an employer. This will permit States to use Fund payments to prevent expenses related to the public health emergency from causing their state unemployment insurance funds to become insolvent.



***Are recipients permitted to use Fund payments to pay for unemployment insurance costs incurred by the recipient as an employer?***

Yes, Fund payments may be used for unemployment insurance costs incurred by the recipient as an employer (for example, as a reimbursing employer) related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.

***The Guidance states that the Fund may support a “broad range of uses” including payroll expenses for several classes of employees whose services are “substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” What are some examples of types of covered employees?***

The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020.

***In some cases, first responders and critical health care workers that contract COVID-19 are eligible for workers’ compensation coverage. Is the cost of this expanded workers compensation coverage eligible?***

Increased workers compensation cost to the government due to the COVID-19 public health emergency incurred during the period beginning March 1, 2020, and ending December 30, 2020, is an eligible expense.

***If a recipient would have decommissioned equipment or not renewed a lease on particular office space or equipment but decides to continue to use the equipment or to renew the lease in order to respond to the public health emergency, are the costs associated with continuing to operate the equipment or the ongoing lease payments eligible expenses?***

Yes. To the extent the expenses were previously unbudgeted and are otherwise consistent with section 601(d) of the Social Security Act outlined in the Guidance, such expenses would be eligible.

***May recipients provide stipends to employees for eligible expenses (for example, a stipend to employees to improve telework capabilities) rather than require employees to incur the eligible cost and submit for reimbursement?***

Expenditures paid for with payments from the Fund must be limited to those that are necessary due to the public health emergency. As such, unless the government were to determine that providing assistance in the form of a stipend is an administrative necessity, the government should provide such assistance on a reimbursement basis to ensure as much as possible that funds are used to cover only eligible expenses.

***May Fund payments be used for COVID-19 public health emergency recovery planning?***

Yes. Expenses associated with conducting a recovery planning project or operating a recovery coordination office would be eligible, if the expenses otherwise meet the criteria set forth in section 601(d) of the Social Security Act outlined in the Guidance.

***Are expenses associated with contact tracing eligible?***

Yes, expenses associated with contract tracing are eligible.

***To what extent may a government use Fund payments to support the operations of private hospitals?***

Governments may use Fund payments to support public or private hospitals to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency, but the form such assistance would take may differ. In particular, financial assistance to private hospitals could take the form of a grant or a short-term loan.

***May payments from the Fund be used to assist individuals with enrolling in a government benefit program for those who have been laid off due to COVID-19 and thereby lost health insurance?***

Yes. To the extent that the relevant government official determines that these expenses are necessary and they meet the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance, these expenses are eligible.

***May recipients use Fund payments to facilitate livestock depopulation incurred by producers due to supply chain disruptions?***

Yes, to the extent these efforts are deemed necessary for public health reasons or as a form of economic support as a result of the COVID-19 health emergency.

***Would providing a consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense?***

Yes, assuming that the recipient considers the grants to be a necessary expense incurred due to the COVID-19 public health emergency and the grants meet the other requirements for the use of Fund payments under section 601(d) of the Social Security Act outlined in the Guidance. As a general matter, providing assistance to recipients to enable them to meet property tax requirements would not be an eligible use of funds, but exceptions may be made in the case of assistance designed to prevent foreclosures.

***May recipients create a “payroll support program” for public employees?***

Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

***May recipients use Fund payments to cover employment and training programs for employees that have been furloughed due to the public health emergency?***

Yes, this would be an eligible expense if the government determined that the costs of such employment and training programs would be necessary due to the public health emergency.



***May recipients use Fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency?***

Yes, if a government determines such assistance to be a necessary expenditure. Such assistance could include, for example, a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs. Such assistance should be structured in a manner to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.

***The Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. What is meant by a “small business,” and is the Guidance intended to refer only to expenditures to cover administrative expenses of such a grant program?***

Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance.

***The Guidance provides that expenses associated with the provision of economic support in connection with the public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, would constitute eligible expenditures of Fund payments. Would such expenditures be eligible in the absence of a stay-at-home order?***

Fund payments may be used for economic support in the absence of a stay-at-home order if such expenditures are determined by the government to be necessary. This may include, for example, a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency.

***May Fund payments be used to assist impacted property owners with the payment of their property taxes?***

Fund payments may not be used for government revenue replacement, including the provision of assistance to meet tax obligations.

***May Fund payments be used to replace foregone utility fees? If not, can Fund payments be used as a direct subsidy payment to all utility account holders?***

Fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.

***Could Fund payments be used for capital improvement projects that broadly provide potential economic development in a community?***

In general, no. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects.

However, Fund payments may be used for the expenses of, for example, establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity or improve mitigation measures, including related construction costs.

***The Guidance includes workforce bonuses as an example of ineligible expenses but provides that hazard pay would be eligible if otherwise determined to be a necessary expense. Is there a specific definition of “hazard pay”?***

Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.

***The Guidance provides that ineligible expenditures include “[p]ayroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” Is this intended to relate only to public employees?***

Yes. This particular nonexclusive example of an ineligible expenditure relates to public employees. A recipient would not be permitted to pay for payroll or benefit expenses of private employees and any financial assistance (such as grants or short-term loans) to private employers are not subject to the restriction that the private employers’ employees must be substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

***May counties pre-pay with CARES Act funds for expenses such as a one or two-year facility lease, such as to house staff hired in response to COVID-19?***

A government should not make prepayments on contracts using payments from the Fund to the extent that doing so would not be consistent with its ordinary course policies and procedures.

***Must a stay-at-home order or other public health mandate be in effect in order for a government to provide assistance to small businesses using payments from the Fund?***

No. The Guidance provides, as an example of an eligible use of payments from the Fund, expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. Such assistance may be provided using amounts received from the Fund in the absence of a requirement to close businesses if the relevant government determines that such expenditures are necessary in response to the public health emergency.



***Should States receiving a payment transfer funds to local governments that did not receive payments directly from Treasury?***

Yes, provided that the transferred funds are used by the local government for eligible expenditures under the statute. To facilitate prompt distribution of Title V funds, the CARES Act authorized Treasury to make direct payments to local governments with populations in excess of 500,000, in amounts equal to 45% of the local government's per capita share of the statewide allocation. This statutory structure was based on a recognition that it is more administratively feasible to rely on States, rather than the federal government, to manage the transfer of funds to smaller local governments. Consistent with the needs of all local governments for funding to address the public health emergency, States should transfer funds to local governments with populations of 500,000 or less, using as a benchmark the per capita allocation formula that governs payments to larger local governments. This approach will ensure equitable treatment among local governments of all sizes.

For example, a State received the minimum \$1.25 billion allocation and had one county with a population over 500,000 that received \$250 million directly. The State should distribute 45 percent of the \$1 billion it received, or \$450 million, to local governments within the State with a population of 500,000 or less.

***May a State impose restrictions on transfers of funds to local governments?***

Yes, to the extent that the restrictions facilitate the State's compliance with the requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance and other applicable requirements such as the Single Audit Act, discussed below. Other restrictions are not permissible.

***If a recipient must issue tax anticipation notes (TANs) to make up for tax due date deferrals or revenue shortfalls, are the expenses associated with the issuance eligible uses of Fund payments?***

If a government determines that the issuance of TANs is necessary due to the COVID-19 public health emergency, the government may expend payments from the Fund on the interest expense payable on TANs by the borrower and unbudgeted administrative and transactional costs, such as necessary payments to advisors and underwriters, associated with the issuance of the TANs.

***May recipients use Fund payments to expand rural broadband capacity to assist with distance learning and telework?***

Such expenditures would only be permissible if they are necessary for the public health emergency. The cost of projects that would not be expected to increase capacity to a significant extent until the need for distance learning and telework have passed due to this public health emergency would not be necessary due to the public health emergency and thus would not be eligible uses of Fund payments.

***Are costs associated with increased solid waste capacity an eligible use of payments from the Fund?***

Yes, costs to address increase in solid waste as a result of the public health emergency, such as relates to the disposal of used personal protective equipment, would be an eligible expenditure.

***May payments from the Fund be used to cover across-the-board hazard pay for employees working during a state of emergency?***

No. The Guidance says that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Hazard pay is a form of payroll expense and is subject to this limitation, so Fund payments may only be used to cover hazard pay for such individuals.

***May Fund payments be used for expenditures related to the administration of Fund payments by a State, territorial, local, or Tribal government?***

Yes, if the administrative expenses represent an increase over previously budgeted amounts and are limited to what is necessary. For example, a State may expend Fund payments on necessary administrative expenses incurred with respect to a new grant program established to disburse amounts received from the Fund.

***May recipients use Fund payments to provide loans?***

Yes, if the loans otherwise qualify as eligible expenditures under section 601(d) of the Social Security Act as implemented by the Guidance. Any amounts repaid by the borrower before December 30, 2020, must be either returned to Treasury upon receipt by the unit of government providing the loan or used for another expense that qualifies as an eligible expenditure under section 601(d) of the Social Security Act. Any amounts not repaid by the borrower until after December 30, 2020, must be returned to Treasury upon receipt by the unit of government lending the funds.

***May Fund payments be used for expenditures necessary to prepare for a future COVID-19 outbreak?***

Fund payments may be used only for expenditures necessary to address the current COVID-19 public health emergency. For example, a State may spend Fund payments to create a reserve of personal protective equipment or develop increased intensive care unit capacity to support regions in its jurisdiction not yet affected, but likely to be impacted by the current COVID-19 pandemic.

***May funds be used to satisfy non-federal matching requirements under the Stafford Act?***

Yes, payments from the Fund may be used to meet the non-federal matching requirements for Stafford Act assistance to the extent such matching requirements entail COVID-19-related costs that otherwise satisfy the Fund's eligibility criteria and the Stafford Act. Regardless of the use of Fund payments for such purposes, FEMA funding is still dependent on FEMA's determination of eligibility under the Stafford Act.

***Must a State, local, or tribal government require applications to be submitted by businesses or individuals before providing assistance using payments from the Fund?***

Governments have discretion to determine how to tailor assistance programs they establish in response to the COVID-19 public health emergency. However, such a program should be structured in such a manner as will ensure that such assistance is determined to be necessary in response to the COVID-19 public health emergency and otherwise satisfies the requirements of the CARES Act and other applicable law. For example, a per capita payment to residents of a particular jurisdiction without an assessment of individual need would not be an appropriate use of payments from the Fund.

***May Fund payments be provided to non-profits for distribution to individuals in need of financial assistance, such as rent relief?***

Yes, non-profits may be used to distribute assistance. Regardless of how the assistance is structured, the financial assistance provided would have to be related to COVID-19.

***May recipients use Fund payments to remarket the recipient's convention facilities and tourism industry?***

Yes, if the costs of such remarketing satisfy the requirements of the CARES Act. Expenses incurred to publicize the resumption of activities and steps taken to ensure a safe experience may be needed due to



the public health emergency. Expenses related to developing a long-term plan to reposition a recipient's convention and tourism industry and infrastructure would not be incurred due to the public health emergency and therefore may not be covered using payments from the Fund.

***May a State provide assistance to farmers and meat processors to expand capacity, such to cover overtime for USDA meat inspectors?***

If a State determines that expanding meat processing capacity, including by paying overtime to USDA meat inspectors, is a necessary expense incurred due to the public health emergency, such as if increased capacity is necessary to allow farmers and processors to donate meat to food banks, then such expenses are eligible expenses, provided that the expenses satisfy the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance.

***The guidance provides that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. May Fund payments be used to cover such an employee's entire payroll cost or just the portion of time spent on mitigating or responding to the COVID-19 public health emergency?***

As a matter of administrative convenience, the entire payroll cost of an employee whose time is substantially dedicated to mitigating or responding to the COVID-19 public health emergency is eligible, provided that such payroll costs are incurred by December 30, 2020. An employer may also track time spent by employees related to COVID-19 and apply Fund payments on that basis but would need to do so consistently within the relevant agency or department.

***May Fund payments be used to cover increased administrative leave costs of public employees who could not telework in the event of a stay at home order or a case of COVID-19 in the workplace?***

The statute requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. As stated in the Guidance, a cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget or (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. If the cost of an employee was allocated to administrative leave to a greater extent than was expected, the cost of such administrative leave may be covered using payments from the Fund.

**Questions Related to Administration of Fund Payments**

***Do governments have to return unspent funds to Treasury?***

Yes. Section 601(f)(2) of the Social Security Act, as added by section 5001(a) of the CARES Act, provides for recoupment by the Department of the Treasury of amounts received from the Fund that have not been used in a manner consistent with section 601(d) of the Social Security Act. If a government has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the Department of the Treasury.

***What records must be kept by governments receiving payment?***



A government should keep records sufficient to demonstrate that the amount of Fund payments to the government has been used in accordance with section 601(d) of the Social Security Act.

***May recipients deposit Fund payments into interest bearing accounts?***

Yes, provided that if recipients separately invest amounts received from the Fund, they must use the interest earned or other proceeds of these investments only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act and the Guidance on eligible expenses. If a government deposits Fund payments in a government's general account, it may use those funds to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary expenditures. Fund payments are not subject to the Cash Management Improvement Act of 1990, as amended.

***May governments retain assets purchased with payments from the Fund?***

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds provided by section 601(d) of the Social Security Act.

***What rules apply to the proceeds of disposition or sale of assets acquired using payments from the Fund?***

If such assets are disposed of prior to December 30, 2020, the proceeds would be subject to the restrictions on the eligible use of payments from the Fund provided by section 601(d) of the Social Security Act.

***Are Fund payments to State, territorial, local, and tribal governments considered grants?***

No. Fund payments made by Treasury to State, territorial, local, and Tribal governments are not considered to be grants but are "other financial assistance" under 2 C.F.R. § 200.40.

***Are Fund payments considered federal financial assistance for purposes of the Single Audit Act?***

Yes, Fund payments are considered to be federal financial assistance subject to the Single Audit Act (31 U.S.C. §§ 7501-7507) and the related provisions of the Uniform Guidance, 2 C.F.R. § 200.303 regarding internal controls, §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

***Are Fund payments subject to other requirements of the Uniform Guidance?***

Fund payments are subject to the following requirements in the Uniform Guidance (2 C.F.R. Part 200): 2 C.F.R. § 200.303 regarding internal controls, 2 C.F.R. §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

***Is there a Catalog of Federal Domestic Assistance (CFDA) number assigned to the Fund?***

Yes. The CFDA number assigned to the Fund is 21.019.

***If a State transfers Fund payments to its political subdivisions, would the transferred funds count toward the subrecipients' total funding received from the federal government for purposes of the Single Audit Act?***

Yes. The Fund payments to subrecipients would count toward the threshold of the Single Audit Act and 2 C.F.R. part 200, subpart F re: audit requirements. Subrecipients are subject to a single audit or program-

specific audit pursuant to 2 C.F.R. § 200.501(a) when the subrecipients spend \$750,000 or more in federal awards during their fiscal year.

***Are recipients permitted to use payments from the Fund to cover the expenses of an audit conducted under the Single Audit Act?***

Yes, such expenses would be eligible expenditures, subject to the limitations set forth in 2 C.F.R. § 200.425.

***If a government has transferred funds to another entity, from which entity would the Treasury Department seek to recoup the funds if they have not been used in a manner consistent with section 601(d) of the Social Security Act?***

The Treasury Department would seek to recoup the funds from the government that received the payment directly from the Treasury Department. State, territorial, local, and Tribal governments receiving funds from Treasury should ensure that funds transferred to other entities, whether pursuant to a grant program or otherwise, are used in accordance with section 601(d) of the Social Security Act as implemented in the Guidance.

**AGENDA # 6.11**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: AUGUST 4, 2020**

|                                |  |                        |   |
|--------------------------------|--|------------------------|---|
| <b>ORIGINATING DIVISION:</b>   | OMB  | <b>CONSENT AGENDA:</b> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No               |
| <b>ORIGINATING DEPARTMENT:</b> | Employee Relations   |                        |   |
| <b>PRESENTER:</b>              | Lori Huss  | <b>ATTACHMENTS:</b>    | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No               |
| <b>PROJECT:</b>                |  | <b>TIME REQUESTED:</b> | N/A   |
| <b>ACTION REQUESTED:</b>       | Adopt Resolution No. 2020-116; Establishing a 2020 Early Retirement Incentive Program              |                        |   |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review | <b>FISCAL:</b>         | <input type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

**ORGANIZATIONAL VALUES:**

- ☐ **Customer Service:** We will deliver government services in a respectful, responsive, and solution-oriented manner
- ☒ **Communication:** We will always be clear about what we're doing and why we're doing it
- ☐ **Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- ☐ **Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- ☐ **Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- ☐ **Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- ☐ **Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

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|--|--|
| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>   |
|  |  |
| <b>Approved:</b>                           | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b><br><br>Janelle McGlinchey, Employee Relations |
| <b>Denied:</b>                             |  |
| <b>Tabled:</b>                             |  |
| <b>Other:</b>                              |  |
| <b>Deputy Clerk :</b>                      |  |
| <b>Date:</b>                               |  |

**Background/Justification:**

The purpose of this agenda item is to adopt Resolution No. 2020-116; Establishing a 2020 Early Retirement Incentive Program (ERIP).

Scott County has identified fiscal challenges going into 2021 and is looking for ongoing budget reductions of \$1.7 million. One strategy for addressing the shortfall is to offer a voluntary ERIP as a proactive way to realize

ongoing personnel cost-savings. Employees who meet specific eligibility requirements are provided financial incentive to accelerate retirement timelines and the County would reduce salary expenses and workforce size.

The 2020 ERIP will be made available for a limited period of time to employees who meet the following criteria:

- a. Must have a minimum of ten (10) full years of permanent employment with Scott County as of the date of retirement; and
- b. Must be in an eligible job classification determined by the employer to not require back-filling; and
- c. Must meet or exceed PERA retirement eligibility criteria; and
- d. Must sign and not rescind a Participation Agreement and General Release form; and
- e. Must separate employment and retire by December 30, 2020.

The ERIP incentive and contribution being offered is \$33,607.92, which is the current cost of 24 months of the County portion of Single Plus Spouse health insurance premium, deposited into the employee's Health Care Savings Plan established by Minnesota State Retirement Services.

To participate, eligible employees must follow established program timelines; sign, submit, and not rescind a Participation Agreement and General Release Form; and separate employment and retire by December 30, 2020. Eligible employees who are part of a collective bargaining unit must obtain signature and agreement of the exclusive bargaining representative.

Eligible employees are encouraged to seek legal and/or financial counsel before voluntarily choosing to participate in the 2020 ERIP.

Fiscal Impact:

2020 – Up to \$369,687

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                 |
|----------------------------------|-----------------|
| <b>Date:</b>                     | August 04, 2020 |
| <b>Resolution No.:</b>           | 2020-116        |
| <b>Motion by Commissioner:</b>   |                 |
| <b>Seconded by Commissioner:</b> |                 |

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**RESOLUTION NO. 2020-116; ESTABLISHING A 2020 EARLY RETIREMENT INCENTIVE PROGRAM**

WHEREAS, Scott County has identified fiscal challenges going into 2021 and is looking for ongoing budget reductions of \$1.7 million; and

WHEREAS, one strategy for addressing the shortfall is to offer a voluntary Early Retirement Incentive Program (ERIP), as a proactive way to realize ongoing personnel cost-savings; and

WHEREAS, Employees who meet specific eligibility requirements are provided financial incentive to accelerate retirement timelines and the County would reduce salary expenses and workforce size; and

WHEREAS, this ERIP will be made available for a limited period of time to employees who:

- a. Must have a minimum of ten (10) full years of permanent employment with Scott County as of the date of retirement; and
- b. Must be in an eligible job classification determined by the employer to not require back-filling; and
- c. Must meet or exceed PERA retirement eligibility criteria; and
- d. Must sign and not rescind a Participation Agreement and General Release form; and
- e. Must separate employment and retire by December 30, 2020; and

WHEREAS, the ERIP incentive and contribution being offered is \$33,607.92, which is the current cost of 24 months of the County portion of Single Plus Spouse health insurance premium, deposited into the employee's Health Care Savings Plan established by Minnesota State Retirement Services; and

WHEREAS, to participate, eligible employees must follow established program timelines; sign, submit, and not rescind a Participation Agreement and General Release Form; and separate employment and retire by December 30, 2020; and

WHEREAS, eligible employees who are part of a collective bargaining unit must obtain signature and agreement of the exclusive bargaining representative; and

WHEREAS, eligible employees are encouraged to seek legal and/or financial counsel before voluntarily choosing to participate in the 2020 ERIP.

NOW THEREFORE, BE IT RESOLVED, by the Scott County Board of Commissioners, in and for the County of Scott, Minnesota, that the 2020 Early Retirement Incentive Program is established.



**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                 |
|----------------------------------|-----------------|
| <b>Date:</b>                     | August 04, 2020 |
| <b>Resolution No.:</b>           | 2020-116        |
| <b>Motion by Commissioner:</b>   |                 |
| <b>Seconded by Commissioner:</b> |                 |

BE IT FINALLY RESOLVED, the Scott County Employee Relations Director shall coordinate the ERIP and provide eligible employees with necessary and required program information to enable informed decisions about whether to participate in this voluntary program.

| COMMISSIONERS  | VOTE  |
|----------------|---|
| Weckman Brekke | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Wolf           | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beard          | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beer           | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Ulrich         | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |

**State of Minnesota)**

**County of Scott    )**

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 4<sup>th</sup> day of August, 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 4<sup>th</sup> day of August, 2020.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

County Administrator

Administrator's Designee

**AGENDA # 7.1**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: AUGUST 4, 2020**

|                                |   |                        |  |
|--------------------------------|---|------------------------|--|
| <b>ORIGINATING DIVISION:</b>   | Community Services  | <b>CONSENT AGENDA:</b> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                          |
| <b>ORIGINATING DEPARTMENT:</b> |   | <b>ATTACHMENTS:</b>    | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                          |
| <b>PRESENTER:</b>              | Cindy Geis<br>Perry Mulcrone  | <b>TIME REQUESTED:</b> | 15 minutes   |
| <b>PROJECT:</b>                | Affordable Internet   |                        |  |
| <b>ACTION REQUESTED:</b>       | Adopt Resolution 2020-112; Authorizing Entering Into an Agreement With Internet Provider(s) to Bring Affordable Adequate Internet Connectivity to Identified Deep Subsidy Housing Units |                        |  |
| <b>CONTRACT/POLICY/GRANT:</b>  | <input checked="" type="checkbox"/> County Attorney Review<br><input checked="" type="checkbox"/> Risk Management Review  | <b>FISCAL:</b>         | <input checked="" type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

**ORGANIZATIONAL VALUES:**

- ☒ **Customer Service:** We will deliver government services in a respectful, responsive, and solution-oriented manner
- ☒ **Communication:** We will always be clear about what we're doing and why we're doing it
- ☒ **Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- ☒ **Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- ☐ **Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- ☒ **Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- ☐ **Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

|  |  |
|--|--|
| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>   |
|  |  |
| <b>Approved:</b>                           | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b><br><br>Cindy Geis, Community Services Director<br>Perry Mulcrone, Enterprise Business Technology Director |
| <b>Denied:</b>                             |  |
| <b>Tabled:</b>                             |  |
| <b>Other:</b>                              |  |
| <b>Deputy Clerk :</b>                      |  |
| <b>Date:</b>                               |  |

**Background/Justification:**

The purpose of this agenda item is to adopt Resolution 2020-112; Authorizing Entering Into an Agreement With Internet Provider(s) to Bring Affordable Adequate Internet Connectivity to Identified Deep Subsidy Housing Units.

Since early 2020, Scott County has been impacted by an outbreak of a respiratory disease caused by a novel coronavirus that has been detected across the world, including in Minnesota.

- On March 11, the World Health Organization declared COVID-19 as a pandemic.
- On March 13, the President of the United States declared a national emergency for the COVID-19 pandemic.
- On March 13, the Governor of Minnesota declared a peacetime emergency due to the COVID-19 pandemic.
- On March 17, 2020, the Scott County Board of Commissioners declared a local state of emergency due to the COVID-19 pandemic.

On March 27, 2020, the Federal Government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provides over \$2 trillion in federal economic relief to protect the American people from the public health and economic impacts of COVID-19. Part of those funds were sent to states for local allocation and disbursement.

Minnesota Governor Tim Walz, through executive authority and a legislative review committee, allocated and dispersed a portion of Minnesota's CARES Act funds as Local Government Assistance based on population targets to counties, cities and townships throughout the state. Scott County has received \$17,719,998.

The funds may be spent by the local agencies to offset public health and economic impacts of COVID-19. In order to be eligible for the funding expenditures must pass a three-step test:

1. Expenses must be necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)
2. They must be costs that were not accounted for in the budget most recently approved as of March 27, 2020
3. Performance or delivery must occur during the covered period, but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred.) The County deadline is 12/1/2020.

To assist in understanding eligible expenses, the United States Department of the Treasury published two documents: *Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated June 30, 2020* ("Guidance"); and *Coronavirus Relief Fund Frequently Asked Questions Updated as of July 8, 2020* ("Frequently Asked Questions").

All CARES Act Funds are subject to State and Federal audit for use of the funds. This means that any subrecipients of CARES Funds from the County must also meet audit requirements.

The Scott County Board of Commissioners met in a workshop on July 7, 2020 to discuss and reiterated at their County Board meeting on July 21, 2020, their goals for allocation of the County's CARES funds. The County Board indicated that local business support was their highest priority with housing security, food security, nonprofit support, school support, and rural broadband also being priorities. The goals behind this focus are:

- Keeping employees working or getting residents working again;
- Filling in gaps that unemployment insurance (+ stimulus), Payroll Protection Program (PPP) and other programs didn't serve;
- Helping businesses, organizations, and residents most harmed by the pandemic;
- Providing support to business that can sustain and grow the economy;
- Supporting operational changes to keep businesses operating during the pandemic;
- Providing food support for families at risk in the short term;
- Targeting rental and mortgage programs to those in need not covered by State;
- Supporting distance learning; and
- Supporting childcare for essential employees.

On August 4, 2020, the Scott County Board of Commissioners passed a resolution approving the establishment of a Special Revenue Fund for the CARES Act funds.

To support the goal of increasing the availability and accessibility of distance learning and teleworking, the need for which has increased substantially due to the COVID-19 public health emergency, the County is seeking to improve broadband connectivity for families that do not have adequate internet access to enable these activities.

In the spring of 2020, when students were required to remote learn from their homes, the schools worked with families who did not have internet and provided a temporary solution of providing cellular hotspots. However, the cellular hotspots are below the FCC recommended level of 25 Mbps download and 3 Mbps upload speeds.

With the appropriation of Federal CARES act funding, Scott County has identified two projects that will provide the biggest impact towards providing services:

1. Increasing tower coverage; and
2. An opportunity to assist the schools in providing adequate and affordable internet to thirteen developments that receive a deep subsidy through the Scott County CDA and receive free or reduced meals for the students that live there.

| School District Remote Connection<br>Project Site Low Income Sites List |  |                                 |              | Current<br>Student<br>Count |
|---|--|---------------------------------|--------------|-----------------------------|
|   | Address                                |                                 | City         |                             |
| 1   | Valley Green Mobile Park               | 300 Valley Green                | Jordan       | 162                         |
| 2   | Jackson Heights Trailer Park - Emerald | 12666 Chestnut Blvd             | Shakopee     | 66                          |
| 3   | Mobile Manor Park                      | 12325 Johnson Memorial Dr.      | Shakopee     | 43                          |
| 4   | Belle Plaine Apartments                | 222 E. Commerce Drive           | Belle Plaine | 4                           |
| 5   | Bluff Heights Apartments               | 16638 Franklin Trail SE         | Prior Lake   | 21                          |
| 6   | Eastgate Estates                       | 1200 4th Street NE              | New Prague   |                             |
| 7   | Kestrel Village Apartments             | 16650 Brunswick Ave SE #102     | Prior Lake   | 3                           |
| 8   | Louisiana Lofts                        | 14977 Louisiana Avenue S        | Savage       | 37                          |
| 9   | Pike Lake Marsh                        | 4489 Marsh St NW                | Prior Lake   | 47                          |
| 10  | Sarazin Street Flats - Phase I         | 1575 Sarazin Street             | Shakopee     | 40                          |
| 11  | Sarazin Street Flats - Phase II        | Under construction opening 2020 | Shakopee     | 32                          |
| 12  | Village Commons                        | 14125 Virginia Avenue           | Savage       | 31                          |
| 13  | The Willows                            | 1655 Willow Circle              | Shakopee     | 15                          |

There is an opportunity for the County to work collaboratively with providers to build an internet solution that would give students and families internet access that is affordable and more than adequate. In order to provide for this and building owner must grant permission to access the building. Once that occurs, the result would be:

- Student billing rate of \$20 for e-rate, to be paid by the school and reimbursed by the federal government
- Students would receive K-12 splash page from the school district
- Family would receive, for a cost of \$29.95, 100 mg internet service when purchased
- Cross connection to Scott County K12 Fiber network to ensure highest level of performance
- Infrastructure will be constructed to ensure high speed 100 mg stadium design

The need for a stadium design is for buildings not currently served by an internet provider; or for buildings that may be served, but the internet is either not adequate or is not affordable.

Some of the information not known to the County yet is if the buildings are already being served with internet, and if so, if the solution provides for the reduced rates as indicated above. If they are, the County will encourage that provider to offer reduced services and provide for high speed internet if the current delivery of internet is deemed inadequate. If the provider is not interested in making this available to the residents, other offerings may be brought forward in order for those residents to be given what they need so the students can e-learn with a solution that is long term, more than adequate and is affordable or free to the student. The one other item that the County was informed of, is that some of these developments have a contracted sole internet provider and in that case, unless the provider is willing to offer this service, there is no option to move this forward in those areas.

The County sent out the request for proposal (RFP) to all the providers currently serving Scott County residents on Friday, July 24. Scott County will only consider those responses returned to the County by 12:00 PM on Friday July 31.

The list of 14 providers that the County sent the RFP to is as follows:

|                     |                           |
|---------------------|---------------------------|
| Netwave Broadband   | Nextera Communications    |
| JTN Communications  | Jaguar Communications     |
| Northfield Wireless | Arvig Media               |
| Zayo Group          | Nuvera Telecommunications |
| Hiawatha Broadband  | LTD Wireless              |
| Mediacom            | Century Link              |
| Comcast             | Xtratyme Technologies     |

Due to the urgency of this project in getting internet to students before the 2020-2021 school year begins, staff needed to get this to the Board for approval with the intent of presenting additional data at the Board meeting to award the bid(s).

The requirements set for in the RFP included:

- Delivered speeds to each student must be at least above 25 Mbps download and 3 Mbps upload. **100 Mbps symmetrical download/upload to each student is preferred.** Describe speeds and latency to each student (and other residents).
- Identify the soonest delivery date when service will be delivered to students. Delivery before the 2020-2021 school year in September is preferred.
- Solution must describe additional internet service availability, speeds, and monthly service fee for student's families and other complex residents on separate network from students' school connection.
- Solution may be for some or all of the sites. Costs shall be broken down by site and discounts for multiple sites shall be reflected separately
- Solution must provide for e-rates for students, not to exceed \$20 for the student connectivity to the schools network (paid for by the school and reimbursed by the federal government), or, a rate of \$29.95 for the family connection (paid for by the family)

The scoring of the proposals was based upon the following criteria:

- Ability to deliver; and
- Proposed delivery date; and



- Proposed Bandwidth (up/down) and latency; and
- Total project costs; and
- Proposed architecture; and
- Proposed monthly service charge to housing students; and
- Proposed monthly service charge to housing residents; and
- Company profiles and experience in delivery this type of service/

Staff will provide the names of the companies who responded to the RFP and will be requesting the Board to approve entering into agreement(s) with the those qualified to provide internet access to the developments listed in this document based upon the scoring above.

Fiscal Impact:

Scott County will use Federal Coronavirus Aid Relief and Economic Security (CARES) dollars to fund their contribution of this project. Scott County has committed \$1,000,000 in CARES dollars for the purposes of providing adequate and affordable internet to those identified low income housing developments and to areas that are unserved or underserved within the County. The high-end cost is estimated at \$494,000 which is derived at a stadium buildout of \$38,000/per development. The ability to utilize CARES funding from other local units of government (Townships and Schools) is being sought to aid in funding this solution.

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                |
|----------------------------------|----------------|
| <b>Date:</b>                     | August 4, 2020 |
| <b>Resolution No.:</b>           | 2020-112       |
| <b>Motion by Commissioner:</b>   |                |
| <b>Seconded by Commissioner:</b> |                |

**RESOLUTION 2020-112; AUTHORIZING ENTERING INTO AN AGREEMENT WITH  
INTERNET PROVIDER(S) TO BRING AFFORDABLE ADEQUATE INTERNET CONNECTIVITY  
TO IDENTIFIED DEEP SUBSIDY HOUSING UNITS**

WHEREAS, COVID-19, a global pandemic has caused a public health emergency at all levels of government in the United States; and

WHEREAS, response and support to affected individuals, communities, medical systems, business, and government has caused significant impact to the County as a whole; and

WHEREAS, COVID-19, has caused and will continue to cause increased service needs on County functions and additional work for staff; and

WHEREAS, COVID-19 has had significant impacts on the businesses and residents of Scott County; and

WHEREAS, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed on March 27, 2020, provides over \$2 trillion in federal economic relief to protect the American people from the public health and economic impacts of COVID-19; and

WHEREAS, Governor Tim Walz on June 26, 2020 formally allocated funding for counties, cities, and townships in the State of Minnesota, to provide support and economic relief on a local level, with Scott County receiving \$17,719,998; and

WHEREAS, at its work session on July 7, 2020 the Scott County Board discussed their priorities for dissemination of the funds and affirmed their direction during the July 21<sup>st</sup> board meeting; and

WHEREAS, there are still areas within the County that remain unserved or underserved due to the ability of low-income families to have an affordable option for internet service offerings in their areas; and

WHEREAS, the COVID-19 pandemic has required an immediate response from the local units of governments to take measures to ensure that students can school at home; and

WHEREAS, the County has received responses from providers wishing to provide low income solutions to households needing adequate internet connectivity and wishes to enter into agreement(s) with providers deemed qualified to fulfill the requirements of the services needed for the thirteen developments where affordability of internet has been deemed problematic; and

WHEREAS, the County has received \$17 million dollars in Federal CARES act funding to be used to curb the spread of COVID-19, of which a portion is slated for the enhancement of students to e-learn from their home; and

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                |
|----------------------------------|----------------|
| <b>Date:</b>                     | August 4, 2020 |
| <b>Resolution No.:</b>           | 2020-112       |
| <b>Motion by Commissioner:</b>   |                |
| <b>Seconded by Commissioner:</b> |                |

WHEREAS, the County has focused on deep subsidy developments where the financial ability of families to afford internet has been deemed problematic, which impacts the ability of those students to get access to adequate internet in order to e-learn; and

WHEREAS, the County is committed to finding a solution to mitigate the issues surrounding connectivity for financially strapped families, so all have the equal opportunity to learn and grow in their homes and that students will be able to get access through the e-rate program which will be funded through the federal government, and where families can get reduced internet connectivity at a rate no greater than \$29.95 per month; and

WHEREAS, the County will work with providers as needed for a stadium buildout in developments if needed at a cost no more than \$38,000 per development; and

WHEREAS, at a County Board meeting on July 21, 2020 the Board reviewed and determined the County's plan for directing CARES funds to support delivery of broadband internet service to low income households and to unserved or underserved areas with the County through projects increasing tower coverage and multi-family site improvements for people impacted by COVID-19 is a necessary and reasonable response to the COVID-19 Pandemic, and there eligible for use of CARES Act Funds; and

WHEREAS, the County's plan is consistent with the United States Department of the Treasury's "Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated June 30, 2020" and "Coronavirus Relief Fund Frequently Asked Questions Updated As of July 8, 2020".

WHEREAS, the United States Department of the Treasury's *Coronavirus Relief Fund Guidance to State, Territorial, Local, and Tribal Governments Updated June 30, 2020* ("Guidance"), attached and hereby incorporated as Attachment A, provides information on eligible costs; and

WHEREAS, the United States Department of the Treasury's *Coronavirus Relief Fund Frequently Asked Questions Updated as of July 8, 2020* ("Frequently Asked Questions"), attached and hereby incorporated as Attachment B, provides additional information on eligible costs; and

WHEREAS, the Scott County Board of Commissioners desires to move forward with stadium internet service delivery to those units with students that are qualified deep subsidy developments, consistent with its goals and priorities, the Guidance and the Frequently Asked Questions.

NOW THEREFORE BE IT RESOLVED, the Scott County Board of Commissioners authorizes the County Administrator to enter Agreements with the qualified providers as presented to the Board for the purposes of providing adequate affordable internet service to students on or before the 2020-2021 school year.

BE IT FURTHER RESOLVED, that the County's cost in aiding in the delivery of internet to low income households and to unserved or underserved areas within the County through projects increasing tower coverage and multi-family site improvements shall be paid for from the CARES Act Special Revenue Fund in an amount not to exceed \$1,000,000 and this project is not expected to cost more than \$494,000.

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

|                                  |                |
|----------------------------------|----------------|
| <b>Date:</b>                     | August 4, 2020 |
| <b>Resolution No.:</b>           | 2020-112       |
| <b>Motion by Commissioner:</b>   |                |
| <b>Seconded by Commissioner:</b> |                |

BE IT FINALLY RESOLVED, that approval of the Agreement(s) is subject to approval by the County Attorney's Office as to form.

| <b>COMMISSIONERS</b> | <b>VOTE</b>   |
|----------------------|---|
| Weckman Brekke       | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Wolf                 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beard                | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Beer                 | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |
| Ulrich               | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Absent <input type="checkbox"/> Abstain |

**State of Minnesota)**

**County of Scott    )**

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 4<sup>th</sup> day of August, 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 4<sup>th</sup> day of August, 2020.

\_\_\_\_\_  
\_\_\_\_\_

County Administrator

Administrator's Designee

## Attachment A

### **Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments Updated June 30, 2020<sup>1</sup>**

The purpose of this document is to provide guidance to recipients of the funding available under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). The CARES Act established the Coronavirus Relief Fund (the “Fund”) and appropriated \$150 billion to the Fund. Under the CARES Act, the Fund is to be used to make payments for specified uses to States and certain local governments; the District of Columbia and U.S. Territories (consisting of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands); and Tribal governments.

The CARES Act provides that payments from the Fund may only be used to cover costs that—

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.<sup>2</sup>

The guidance that follows sets forth the Department of the Treasury’s interpretation of these limitations on the permissible use of Fund payments.

#### ***Necessary expenditures incurred due to the public health emergency***

The requirement that expenditures be incurred “due to” the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

The statute also specifies that expenditures using Fund payments must be “necessary.” The Department of the Treasury understands this term broadly to mean that the expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending Fund payments.

#### ***Costs not accounted for in the budget most recently approved as of March 27, 2020***

The CARES Act also requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either (a) the

---

<sup>1</sup> This version updates the guidance provided under “Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020”.

<sup>2</sup> See Section 601(d) of the Social Security Act, as added by section 5001 of the CARES Act.



cost cannot lawfully be funded using a line item, allotment, or allocation within that budget or (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

The “most recently approved” budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

***Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020***

Finally, the CARES Act provides that payments from the Fund may only be used to cover costs that were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020 (the “covered period”). Putting this requirement together with the other provisions discussed above, section 601(d) may be summarized as providing that a State, local, or tribal government may use payments from the Fund only to cover previously unbudgeted costs of necessary expenditures incurred due to the COVID-19 public health emergency during the covered period.

Initial guidance released on April 22, 2020, provided that the cost of an expenditure is incurred when the recipient has expended funds to cover the cost. Upon further consideration and informed by an understanding of State, local, and tribal government practices, Treasury is clarifying that for a cost to be considered to have been incurred, performance or delivery must occur during the covered period but payment of funds need not be made during that time (though it is generally expected that this will take place within 90 days of a cost being incurred). For instance, in the case of a lease of equipment or other property, irrespective of when payment occurs, the cost of a lease payment shall be considered to have been incurred for the period of the lease that is within the covered period, but not otherwise.

Furthermore, in all cases it must be necessary that performance or delivery take place during the covered period. Thus the cost of a good or service received during the covered period will not be considered eligible under section 601(d) if there is no need for receipt until after the covered period has expired.

Goods delivered in the covered period need not be used during the covered period in all cases. For example, the cost of a good that must be delivered in December in order to be available for use in January could be covered using payments from the Fund. Additionally, the cost of goods purchased in bulk and delivered during the covered period may be covered using payments from the Fund if a portion of the goods is ordered for use in the covered period, the bulk purchase is consistent with the recipient’s usual procurement policies and practices, and it is impractical to track and record when the items were used. A recipient may use payments from the Fund to purchase a durable good that is to be used during the current period and in subsequent periods if the acquisition in the covered period was necessary due to the public health emergency.

Given that it is not always possible to estimate with precision when a good or service will be needed, the touchstone in assessing the determination of need for a good or service during the covered period will be reasonableness at the time delivery or performance was sought, e.g., the time of entry into a procurement contract specifying a time for delivery. Similarly, in recognition of the likelihood of supply chain disruptions and increased demand for certain goods and services during the COVID-19 public health emergency, if a recipient enters into a contract requiring the delivery of goods or performance of services by December 30, 2020, the failure of a vendor to complete delivery or services by December 30, 2020, will not affect the ability of the recipient to use payments from the Fund to cover the cost of such goods or services if the delay is due to circumstances beyond the recipient’s control.

This guidance applies in a like manner to costs of subrecipients. Thus, a grant or loan, for example, provided by a recipient using payments from the Fund must be used by the subrecipient only to purchase (or reimburse a purchase of) goods or services for which receipt both is needed within the covered period and occurs within the covered period. The direct recipient of payments from the Fund is ultimately responsible for compliance with this limitation on use of payments from the Fund.

#### *Nonexclusive examples of eligible expenditures*

Eligible expenditures include, but are not limited to, payment for:

1. Medical expenses such as:
  - COVID-19-related expenses of public hospitals, clinics, and similar facilities.
  - Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
  - Costs of providing COVID-19 testing, including serological testing.
  - Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
  - Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
2. Public health expenses such as:
  - Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
  - Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
  - Expenses for disinfection of public areas and other facilities, *e.g.*, nursing homes, in response to the COVID-19 public health emergency.
  - Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
  - Expenses for public safety measures undertaken in response to COVID-19.
  - Expenses for quarantining individuals.
3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:
  - Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
  - Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
  - Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.

- Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
  - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
  - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
    - Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
    - Expenditures related to a State, territorial, local, or Tribal government payroll support program.
    - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
  6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

*Nonexclusive examples of ineligible expenditures<sup>3</sup>*

The following is a list of examples of costs that would *not* be eligible expenditures of payments from the Fund.

1. Expenses for the State share of Medicaid.<sup>4</sup>
2. Damages covered by insurance.
3. Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
5. Reimbursement to donors for donated items or services.
6. Workforce bonuses other than hazard pay or overtime.
7. Severance pay.
8. Legal settlements.

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<sup>3</sup> In addition, pursuant to section 5001(b) of the CARES Act, payments from the Fund may not be expended for an elective abortion or on research in which a human embryo is destroyed, discarded, or knowingly subjected to risk of injury or death. The prohibition on payment for abortions does not apply to an abortion if the pregnancy is the result of an act of rape or incest; or in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed. Furthermore, no government which receives payments from the Fund may discriminate against a health care entity on the basis that the entity does not provide, pay for, provide coverage of, or refer for abortions.

<sup>4</sup> See 42 C.F.R. § 433.51 and 45 C.F.R. § 75.306.

**Coronavirus Relief Fund  
Frequently Asked Questions  
Updated as of July 8, 2020**

The following answers to frequently asked questions supplement Treasury's Coronavirus Relief Fund ("Fund") Guidance for State, Territorial, Local, and Tribal Governments, dated April 22, 2020, ("Guidance").<sup>1</sup> Amounts paid from the Fund are subject to the restrictions outlined in the Guidance and set forth in section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act").

**Eligible Expenditures**

***Are governments required to submit proposed expenditures to Treasury for approval?***

No. Governments are responsible for making determinations as to what expenditures are necessary due to the public health emergency with respect to COVID-19 and do not need to submit any proposed expenditures to Treasury.

***The Guidance says that funding can be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. How does a government determine whether payroll expenses for a given employee satisfy the "substantially dedicated" condition?***

The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

***The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a "substantially different use" for purposes of the Fund eligibility?***

Costs incurred for a "substantially different use" include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty's ordinary responsibilities.

Note that a public function does not become a "substantially different use" merely because it is provided from a different location or through a different manner. For example, although developing online instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.

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<sup>1</sup> The Guidance is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.

***May a State receiving a payment transfer funds to a local government?***

Yes, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act. Such funds would be subject to recoupment by the Treasury Department if they have not been used in a manner consistent with section 601(d) of the Social Security Act.

***May a unit of local government receiving a Fund payment transfer funds to another unit of government?***

Yes. For example, a county may transfer funds to a city, town, or school district within the county and a county or city may transfer funds to its State, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, a transfer from a county to a constituent city would not be permissible if the funds were intended to be used simply to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.

***Is a Fund payment recipient required to transfer funds to a smaller, constituent unit of government within its borders?***

No. For example, a county recipient is not required to transfer funds to smaller cities within the county's borders.

***Are recipients required to use other federal funds or seek reimbursement under other federal programs before using Fund payments to satisfy eligible expenses?***

No. Recipients may use Fund payments for any expenses eligible under section 601(d) of the Social Security Act outlined in the Guidance. Fund payments are not required to be used as the source of funding of last resort. However, as noted below, recipients may not use payments from the Fund to cover expenditures for which they will receive reimbursement.

***Are there prohibitions on combining a transaction supported with Fund payments with other CARES Act funding or COVID-19 relief Federal funding?***

Recipients will need to consider the applicable restrictions and limitations of such other sources of funding. In addition, expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds, are not eligible uses of Fund payments.

***Are States permitted to use Fund payments to support state unemployment insurance funds generally?***

To the extent that the costs incurred by a state unemployment insurance fund are incurred due to the COVID-19 public health emergency, a State may use Fund payments to make payments to its respective state unemployment insurance fund, separate and apart from such State's obligation to the unemployment insurance fund as an employer. This will permit States to use Fund payments to prevent expenses related to the public health emergency from causing their state unemployment insurance funds to become insolvent.



***Are recipients permitted to use Fund payments to pay for unemployment insurance costs incurred by the recipient as an employer?***

Yes, Fund payments may be used for unemployment insurance costs incurred by the recipient as an employer (for example, as a reimbursing employer) related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.

***The Guidance states that the Fund may support a “broad range of uses” including payroll expenses for several classes of employees whose services are “substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” What are some examples of types of covered employees?***

The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020.

***In some cases, first responders and critical health care workers that contract COVID-19 are eligible for workers’ compensation coverage. Is the cost of this expanded workers compensation coverage eligible?***

Increased workers compensation cost to the government due to the COVID-19 public health emergency incurred during the period beginning March 1, 2020, and ending December 30, 2020, is an eligible expense.

***If a recipient would have decommissioned equipment or not renewed a lease on particular office space or equipment but decides to continue to use the equipment or to renew the lease in order to respond to the public health emergency, are the costs associated with continuing to operate the equipment or the ongoing lease payments eligible expenses?***

Yes. To the extent the expenses were previously unbudgeted and are otherwise consistent with section 601(d) of the Social Security Act outlined in the Guidance, such expenses would be eligible.

***May recipients provide stipends to employees for eligible expenses (for example, a stipend to employees to improve telework capabilities) rather than require employees to incur the eligible cost and submit for reimbursement?***

Expenditures paid for with payments from the Fund must be limited to those that are necessary due to the public health emergency. As such, unless the government were to determine that providing assistance in the form of a stipend is an administrative necessity, the government should provide such assistance on a reimbursement basis to ensure as much as possible that funds are used to cover only eligible expenses.

***May Fund payments be used for COVID-19 public health emergency recovery planning?***

Yes. Expenses associated with conducting a recovery planning project or operating a recovery coordination office would be eligible, if the expenses otherwise meet the criteria set forth in section 601(d) of the Social Security Act outlined in the Guidance.

***Are expenses associated with contact tracing eligible?***

Yes, expenses associated with contract tracing are eligible.

***To what extent may a government use Fund payments to support the operations of private hospitals?***

Governments may use Fund payments to support public or private hospitals to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency, but the form such assistance would take may differ. In particular, financial assistance to private hospitals could take the form of a grant or a short-term loan.

***May payments from the Fund be used to assist individuals with enrolling in a government benefit program for those who have been laid off due to COVID-19 and thereby lost health insurance?***

Yes. To the extent that the relevant government official determines that these expenses are necessary and they meet the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance, these expenses are eligible.

***May recipients use Fund payments to facilitate livestock depopulation incurred by producers due to supply chain disruptions?***

Yes, to the extent these efforts are deemed necessary for public health reasons or as a form of economic support as a result of the COVID-19 health emergency.

***Would providing a consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense?***

Yes, assuming that the recipient considers the grants to be a necessary expense incurred due to the COVID-19 public health emergency and the grants meet the other requirements for the use of Fund payments under section 601(d) of the Social Security Act outlined in the Guidance. As a general matter, providing assistance to recipients to enable them to meet property tax requirements would not be an eligible use of funds, but exceptions may be made in the case of assistance designed to prevent foreclosures.

***May recipients create a “payroll support program” for public employees?***

Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

***May recipients use Fund payments to cover employment and training programs for employees that have been furloughed due to the public health emergency?***

Yes, this would be an eligible expense if the government determined that the costs of such employment and training programs would be necessary due to the public health emergency.

***May recipients use Fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency?***

Yes, if a government determines such assistance to be a necessary expenditure. Such assistance could include, for example, a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs. Such assistance should be structured in a manner to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.

***The Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. What is meant by a “small business,” and is the Guidance intended to refer only to expenditures to cover administrative expenses of such a grant program?***

Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance.

***The Guidance provides that expenses associated with the provision of economic support in connection with the public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, would constitute eligible expenditures of Fund payments. Would such expenditures be eligible in the absence of a stay-at-home order?***

Fund payments may be used for economic support in the absence of a stay-at-home order if such expenditures are determined by the government to be necessary. This may include, for example, a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency.

***May Fund payments be used to assist impacted property owners with the payment of their property taxes?***

Fund payments may not be used for government revenue replacement, including the provision of assistance to meet tax obligations.

***May Fund payments be used to replace foregone utility fees? If not, can Fund payments be used as a direct subsidy payment to all utility account holders?***

Fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.



***Could Fund payments be used for capital improvement projects that broadly provide potential economic development in a community?***

In general, no. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects.

However, Fund payments may be used for the expenses of, for example, establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity or improve mitigation measures, including related construction costs.

***The Guidance includes workforce bonuses as an example of ineligible expenses but provides that hazard pay would be eligible if otherwise determined to be a necessary expense. Is there a specific definition of “hazard pay”?***

Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.

***The Guidance provides that ineligible expenditures include “[p]ayroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” Is this intended to relate only to public employees?***

Yes. This particular nonexclusive example of an ineligible expenditure relates to public employees. A recipient would not be permitted to pay for payroll or benefit expenses of private employees and any financial assistance (such as grants or short-term loans) to private employers are not subject to the restriction that the private employers’ employees must be substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

***May counties pre-pay with CARES Act funds for expenses such as a one or two-year facility lease, such as to house staff hired in response to COVID-19?***

A government should not make prepayments on contracts using payments from the Fund to the extent that doing so would not be consistent with its ordinary course policies and procedures.

***Must a stay-at-home order or other public health mandate be in effect in order for a government to provide assistance to small businesses using payments from the Fund?***

No. The Guidance provides, as an example of an eligible use of payments from the Fund, expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. Such assistance may be provided using amounts received from the Fund in the absence of a requirement to close businesses if the relevant government determines that such expenditures are necessary in response to the public health emergency.

***Should States receiving a payment transfer funds to local governments that did not receive payments directly from Treasury?***

Yes, provided that the transferred funds are used by the local government for eligible expenditures under the statute. To facilitate prompt distribution of Title V funds, the CARES Act authorized Treasury to make direct payments to local governments with populations in excess of 500,000, in amounts equal to 45% of the local government's per capita share of the statewide allocation. This statutory structure was based on a recognition that it is more administratively feasible to rely on States, rather than the federal government, to manage the transfer of funds to smaller local governments. Consistent with the needs of all local governments for funding to address the public health emergency, States should transfer funds to local governments with populations of 500,000 or less, using as a benchmark the per capita allocation formula that governs payments to larger local governments. This approach will ensure equitable treatment among local governments of all sizes.

For example, a State received the minimum \$1.25 billion allocation and had one county with a population over 500,000 that received \$250 million directly. The State should distribute 45 percent of the \$1 billion it received, or \$450 million, to local governments within the State with a population of 500,000 or less.

***May a State impose restrictions on transfers of funds to local governments?***

Yes, to the extent that the restrictions facilitate the State's compliance with the requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance and other applicable requirements such as the Single Audit Act, discussed below. Other restrictions are not permissible.

***If a recipient must issue tax anticipation notes (TANs) to make up for tax due date deferrals or revenue shortfalls, are the expenses associated with the issuance eligible uses of Fund payments?***

If a government determines that the issuance of TANs is necessary due to the COVID-19 public health emergency, the government may expend payments from the Fund on the interest expense payable on TANs by the borrower and unbudgeted administrative and transactional costs, such as necessary payments to advisors and underwriters, associated with the issuance of the TANs.

***May recipients use Fund payments to expand rural broadband capacity to assist with distance learning and telework?***

Such expenditures would only be permissible if they are necessary for the public health emergency. The cost of projects that would not be expected to increase capacity to a significant extent until the need for distance learning and telework have passed due to this public health emergency would not be necessary due to the public health emergency and thus would not be eligible uses of Fund payments.

***Are costs associated with increased solid waste capacity an eligible use of payments from the Fund?***

Yes, costs to address increase in solid waste as a result of the public health emergency, such as relates to the disposal of used personal protective equipment, would be an eligible expenditure.

***May payments from the Fund be used to cover across-the-board hazard pay for employees working during a state of emergency?***

No. The Guidance says that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Hazard pay is a form of payroll expense and is subject to this limitation, so Fund payments may only be used to cover hazard pay for such individuals.



***May Fund payments be used for expenditures related to the administration of Fund payments by a State, territorial, local, or Tribal government?***

Yes, if the administrative expenses represent an increase over previously budgeted amounts and are limited to what is necessary. For example, a State may expend Fund payments on necessary administrative expenses incurred with respect to a new grant program established to disburse amounts received from the Fund.

***May recipients use Fund payments to provide loans?***

Yes, if the loans otherwise qualify as eligible expenditures under section 601(d) of the Social Security Act as implemented by the Guidance. Any amounts repaid by the borrower before December 30, 2020, must be either returned to Treasury upon receipt by the unit of government providing the loan or used for another expense that qualifies as an eligible expenditure under section 601(d) of the Social Security Act. Any amounts not repaid by the borrower until after December 30, 2020, must be returned to Treasury upon receipt by the unit of government lending the funds.

***May Fund payments be used for expenditures necessary to prepare for a future COVID-19 outbreak?***

Fund payments may be used only for expenditures necessary to address the current COVID-19 public health emergency. For example, a State may spend Fund payments to create a reserve of personal protective equipment or develop increased intensive care unit capacity to support regions in its jurisdiction not yet affected, but likely to be impacted by the current COVID-19 pandemic.

***May funds be used to satisfy non-federal matching requirements under the Stafford Act?***

Yes, payments from the Fund may be used to meet the non-federal matching requirements for Stafford Act assistance to the extent such matching requirements entail COVID-19-related costs that otherwise satisfy the Fund's eligibility criteria and the Stafford Act. Regardless of the use of Fund payments for such purposes, FEMA funding is still dependent on FEMA's determination of eligibility under the Stafford Act.

***Must a State, local, or tribal government require applications to be submitted by businesses or individuals before providing assistance using payments from the Fund?***

Governments have discretion to determine how to tailor assistance programs they establish in response to the COVID-19 public health emergency. However, such a program should be structured in such a manner as will ensure that such assistance is determined to be necessary in response to the COVID-19 public health emergency and otherwise satisfies the requirements of the CARES Act and other applicable law. For example, a per capita payment to residents of a particular jurisdiction without an assessment of individual need would not be an appropriate use of payments from the Fund.

***May Fund payments be provided to non-profits for distribution to individuals in need of financial assistance, such as rent relief?***

Yes, non-profits may be used to distribute assistance. Regardless of how the assistance is structured, the financial assistance provided would have to be related to COVID-19.

***May recipients use Fund payments to remarket the recipient's convention facilities and tourism industry?***

Yes, if the costs of such remarketing satisfy the requirements of the CARES Act. Expenses incurred to publicize the resumption of activities and steps taken to ensure a safe experience may be needed due to

the public health emergency. Expenses related to developing a long-term plan to reposition a recipient's convention and tourism industry and infrastructure would not be incurred due to the public health emergency and therefore may not be covered using payments from the Fund.

***May a State provide assistance to farmers and meat processors to expand capacity, such to cover overtime for USDA meat inspectors?***

If a State determines that expanding meat processing capacity, including by paying overtime to USDA meat inspectors, is a necessary expense incurred due to the public health emergency, such as if increased capacity is necessary to allow farmers and processors to donate meat to food banks, then such expenses are eligible expenses, provided that the expenses satisfy the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance.

***The guidance provides that funding may be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. May Fund payments be used to cover such an employee's entire payroll cost or just the portion of time spent on mitigating or responding to the COVID-19 public health emergency?***

As a matter of administrative convenience, the entire payroll cost of an employee whose time is substantially dedicated to mitigating or responding to the COVID-19 public health emergency is eligible, provided that such payroll costs are incurred by December 30, 2020. An employer may also track time spent by employees related to COVID-19 and apply Fund payments on that basis but would need to do so consistently within the relevant agency or department.

***May Fund payments be used to cover increased administrative leave costs of public employees who could not telework in the event of a stay at home order or a case of COVID-19 in the workplace?***

The statute requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. As stated in the Guidance, a cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget or (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. If the cost of an employee was allocated to administrative leave to a greater extent than was expected, the cost of such administrative leave may be covered using payments from the Fund.

**Questions Related to Administration of Fund Payments**

***Do governments have to return unspent funds to Treasury?***

Yes. Section 601(f)(2) of the Social Security Act, as added by section 5001(a) of the CARES Act, provides for recoupment by the Department of the Treasury of amounts received from the Fund that have not been used in a manner consistent with section 601(d) of the Social Security Act. If a government has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the Department of the Treasury.

***What records must be kept by governments receiving payment?***



A government should keep records sufficient to demonstrate that the amount of Fund payments to the government has been used in accordance with section 601(d) of the Social Security Act.

***May recipients deposit Fund payments into interest bearing accounts?***

Yes, provided that if recipients separately invest amounts received from the Fund, they must use the interest earned or other proceeds of these investments only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act and the Guidance on eligible expenses. If a government deposits Fund payments in a government's general account, it may use those funds to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary expenditures. Fund payments are not subject to the Cash Management Improvement Act of 1990, as amended.

***May governments retain assets purchased with payments from the Fund?***

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds provided by section 601(d) of the Social Security Act.

***What rules apply to the proceeds of disposition or sale of assets acquired using payments from the Fund?***

If such assets are disposed of prior to December 30, 2020, the proceeds would be subject to the restrictions on the eligible use of payments from the Fund provided by section 601(d) of the Social Security Act.

***Are Fund payments to State, territorial, local, and tribal governments considered grants?***

No. Fund payments made by Treasury to State, territorial, local, and Tribal governments are not considered to be grants but are "other financial assistance" under 2 C.F.R. § 200.40.

***Are Fund payments considered federal financial assistance for purposes of the Single Audit Act?***

Yes, Fund payments are considered to be federal financial assistance subject to the Single Audit Act (31 U.S.C. §§ 7501-7507) and the related provisions of the Uniform Guidance, 2 C.F.R. § 200.303 regarding internal controls, §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

***Are Fund payments subject to other requirements of the Uniform Guidance?***

Fund payments are subject to the following requirements in the Uniform Guidance (2 C.F.R. Part 200): 2 C.F.R. § 200.303 regarding internal controls, 2 C.F.R. §§ 200.330 through 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

***Is there a Catalog of Federal Domestic Assistance (CFDA) number assigned to the Fund?***

Yes. The CFDA number assigned to the Fund is 21.019.

***If a State transfers Fund payments to its political subdivisions, would the transferred funds count toward the subrecipients' total funding received from the federal government for purposes of the Single Audit Act?***

Yes. The Fund payments to subrecipients would count toward the threshold of the Single Audit Act and 2 C.F.R. part 200, subpart F re: audit requirements. Subrecipients are subject to a single audit or program-

specific audit pursuant to 2 C.F.R. § 200.501(a) when the subrecipients spend \$750,000 or more in federal awards during their fiscal year.

***Are recipients permitted to use payments from the Fund to cover the expenses of an audit conducted under the Single Audit Act?***

Yes, such expenses would be eligible expenditures, subject to the limitations set forth in 2 C.F.R. § 200.425.

***If a government has transferred funds to another entity, from which entity would the Treasury Department seek to recoup the funds if they have not been used in a manner consistent with section 601(d) of the Social Security Act?***

The Treasury Department would seek to recoup the funds from the government that received the payment directly from the Treasury Department. State, territorial, local, and Tribal governments receiving funds from Treasury should ensure that funds transferred to other entities, whether pursuant to a grant program or otherwise, are used in accordance with section 601(d) of the Social Security Act as implemented in the Guidance.

**AGENDA # 7.2**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: AUGUST 4, 2020**

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|--|--|------------------------|---|
| <b>ORIGINATING DIVISION:<br/>ORIGINATING DEPARTMENT:</b> | Office of Management & Budget<br>Budget & Strategic Planning   | <b>CONSENT AGENDA:</b> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No               |
| <b>PRESENTER:</b>  | Danny Lenz<br>Chief Financial Officer  | <b>ATTACHMENTS:</b>    | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No               |
| <b>PROJECT:</b>  |  | <b>TIME REQUESTED:</b> | 15 Minutes  |
| <b>ACTION REQUESTED:</b>                                 | Adopt Resolution No. 2020-117; Approving the Execution of Documents Related to a Residential Mental Health Treatment Facility in the City of Savage and Taking Other Actions in Connection Therewith |                        |   |
| <b>CONTRACT/POLICY/GRANT:</b>                            | <input type="checkbox"/> County Attorney Review<br><input type="checkbox"/> Risk Management Review   | <b>FISCAL:</b>         | <input type="checkbox"/> Finance Review<br><input type="checkbox"/> Budget Change |

**ORGANIZATIONAL VALUES:**

- ☒ **Customer Service:** We will deliver government services in a respectful, responsive, and solution-oriented manner
- ☐ **Communication:** We will always be clear about what we're doing and why we're doing it
- ☒ **Collaboration:** We will work with partners – communities, schools, faith groups, private business, and non-profit agencies – to see that services are not duplicated but rather are complimentary, aligned and provided by the partners who can deliver the service most effectively
- ☒ **Stewardship:** We will work proactively to make investments, guided by resident input, which will transform lives, communities, and government
- ☐ **Empowerment:** We will work with individuals and families to affirm strengths, develop skills, restore hope, and promote self-reliance
- ☒ **Resiliency:** We will foster public preparedness and respond when families and communities face health and safety emergencies
- ☒ **Innovation:** We will take informed risks to deliver services more effectively and will learn from our successes and failures

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| <b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b> | <b>COUNTY ADMINISTRATOR SIGNATURE:</b>   |
|  |  |
| <b>Approved:</b>                           | <b>DISTRIBUTION/FILING INSTRUCTIONS:</b> |
| <b>Denied:</b>                             |  |
| <b>Tabled:</b>                             |  |
| <b>Other:</b>                              |  |
| <b>Deputy Clerk :</b>                      |  |
| <b>Date:</b>                               |  |

**Background/Justification:**

The purpose of this agenda item is to adopt Resolution #2020-117; Approving the Execution of Documents Related to a Residential Mental Health Treatment Facility in the City of Savage and Taking Other Actions in Connection Therewith.



On November 20, 2018 the County Board entered into a Joint Powers Agreement (JPA) with the Scott County Community Development Agency (CDA) to address the operations and financing of an Intensive Residential Treatment Services Facility (IRTS Facility) to be located in Savage, MN. The Board also approved an Amended and Restated JPA in July of 2019 to reflect changes required from the Grant Agreement with the State, as well as the Lease and Services Agreement with Guild for operations within the Facility. On January 21, 2020 the Board approved an additional Amended and Restated JPA as required from Minnesota Management & Budget (MMB) in order to send to legal review by the State. MMB also required the County to approve the Lease between Guild and the CDA, as well as approve an Interfund Loan Repayment Agreement with Guild.

In May of 2020 the County was informed that State legal counsel was requiring additional changes to the JPA, as well as including several additional agreements related to the ownership of the underlying property of the IRTS facility. At this point a determination was made to explore with the State a means to simplify the agreements and ownership structure related to the IRTS Facility. The goal was decrease future confusion over the structure of the arrangement, as well as reduce the number of documents open for potential additional changes requested by the State. The State agreed that this approach would simplify the approval process and ownership structure.

The attached Resolution authorizes the execution of the documents in order to meet this new structure. The steps included in the new structure are as follows:

- The CDA will transfer the underlying property to the County through quit claim deed.
- The County will enter into a Lease Agreement with Guild for utilization of the facility.
- The County will enter into a Loan Agreement with the CDA for the provision of financing for completion of the project up to \$2.75 million.
- The County will enter into a Project Loan Agreement with Guild to allow Guild's rental payments to continue beyond the cost of maintenance once the loan to the CDA has been paid off.

The construction of the IRTS Facility is expected to be completed in late August/early September, when the CDA will transfer ownership of the property to the County. The Resolution authorizes the execution of the Lease Agreement with Guild, the Loan Agreement with the CDA and the Project Loan Agreement with Guild.

One additional change under this new arrangement is that Guild will be entering into an addendum to the Lease Agreement to be responsible for the maintenance of the property, instead of the County utilizing a third party vendor. This approach was utilized in order to maintain enough of Guild's annual rent to cover a portion of the debt service on the property, allowing the County to dedicate funding to a Capital Replacement Fund for the IRTS Facility.

Fiscal Impact:

There is no fiscal impact from due to these changes.

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

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|----------------------------------|----------------|
| <b>Date:</b>                     | August 4, 2020 |
| <b>Resolution No.:</b>           | 2020-117       |
| <b>Motion by Commissioner:</b>   |                |
| <b>Seconded by Commissioner:</b> |                |

**RESOLUTION NO. 2020-117; APPROVING THE EXECUTION OF DOCUMENTS RELATED  
TO A RESIDENTIAL MENTAL HEALTH TREATMENT FACILITY IN THE CITY OF SAVAGE  
AND TAKING OTHER ACTIONS IN CONNECTION THEREWITH**

WHEREAS, Scott County, Minnesota (the "County") and the Scott County Community Development Authority (the "CDA") have determined that there is a need within the County for residential mental health treatment facilities; and

WHEREAS, pursuant to Laws of Minnesota 1974, Chapter 473, as amended by Laws of Minnesota 2001, Chapter 214, Section 45 and Laws of Minnesota 2007, Chapter 78, Minnesota Statutes, Sections 469.001 through 469.047, Minnesota Statutes, Sections 469.090 through 469.1082, and Minnesota Statutes, Sections 469.152 through 469.1655, as amended, the CDA is authorized to design, construct, own, lease, and finance projects such as residential mental health treatment facilities; and

WHEREAS, pursuant to Minnesota Statutes, Sections 245.461 through 245.486, as amended, the County is required to develop and coordinate a system of affordable and locally available adult mental health services; and

WHEREAS, at the request of the County, the CDA has acquired real property in the City of Savage, Minnesota (the "Property") upon which a 16-bed residential mental health treatment facility (the "Project") is currently being constructed; and

WHEREAS, pursuant to Laws of Minnesota 2018, Chapter 214, Article 1, Section 18, subdivision 7, the Minnesota legislature appropriated state bonding money to the County in the amount of \$1,900,000 (the "2018 Grant") to assist with financing the Project; and

WHEREAS, in March 2019, the Minnesota Department of Human Services ("DHS") provided an additional grant to the County in the amount of \$2,261,922 (the "2019 Grant," and together with the 2018 Grant, the "Grant"); and

WHEREAS, the Grant will be provided by the State of Minnesota (the "State") through DHS to the County in accordance with a General Obligation Bond Proceeds Grant Agreement-Construction Grant for the Scott County Residential Treatment Center (the "Grant Agreement"), between DHS and the County; and

WHEREAS, at the request of the County, the CDA has been engaged in predesigning, designing, equipping, and constructing the Project and has entered into various contracts (the "Contracts") for the predesign, design, equipping, and construction of the Project (the "Project Costs"); and

WHEREAS, the County intends to provide the proceeds of the Grant to the CDA to pay a portion of the Project Costs, and as a result, the Project will become "State bond financed property," as such term is used in Minnesota Statutes, Section 16A.695, as amended; and

WHEREAS, on August 13, 2019, the Board of Commissioners of the CDA agreed to provide a loan to the County in the principal amount of up to \$2,750,000 to pay for Project Costs that exceed the principal amount of the Grant (the "CDA Loan"); and

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

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| <b>Motion by Commissioner:</b>   |                |
| <b>Seconded by Commissioner:</b> |                |

WHEREAS, the County received contributions for the Project from St. Francis Regional Medical Center in the amount of \$100,000 and Dakota County in the amount of \$348,206 for the Project and both of the contributions were expended for Project Costs; and

WHEREAS, the County has requested that the CDA transfer the Property and assign the Contracts to the County and the County will complete the Project; and

WHEREAS, the CDA has agreed to transfer the Property to the County by quit claim deed; and

WHEREAS, upon completion of the Project, the County will lease the Project to Guild Incorporated, a Minnesota nonprofit corporation organized under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Operator"), pursuant to a Lease Agreement (the "Lease Agreement") and enter into a Services Agreement with the Operator to provide mental health services on behalf of the County; and

WHEREAS, the Operator will pay monthly rent payments under the Lease Agreement, and the County will use the revenues from the Lease Agreement that are not needed for the operating expenses of the Project (the "Net Revenues") to pay the principal of and interest on the CDA Loan; and

WHEREAS, when the Net Revenues are not sufficient to pay the principal of and interest on the CDA Loan, the County will loan funds to the Operator (the "Project Loan") to pay the CDA Loan; and

WHEREAS, the principal of and interest on the Project Loan will be paid solely from the Net Revenues and the Project Loan, and the Operator shall have no obligation to pay the Project Loan aside from paying the County the monthly rent due and owing under the Lease Agreement; and

WHEREAS, there have been presented to the Board of Commissioners of the County (i) the Lease Agreement with addendum; (ii) a Loan Agreement (the "CDA Loan Agreement") between the CDA and the County, which sets forth the terms of the CDA Loan provided to the County and the terms and conditions under which the County will assume the Contracts and complete the Project; and (iii) a Loan Agreement (the "Project Loan Agreement") between the County and the Operator, which sets forth the terms of the Project Loan provided to the Operator.

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

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| <b>Motion by Commissioner:</b>   |                |
| <b>Seconded by Commissioner:</b> |                |

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Scott County, Minnesota that the Lease Agreement with addendum, the CDA Loan Agreement, and the Project Loan Agreement are approved substantially in the forms on file with the County, with such omissions and insertions as do not materially change the substance thereof, or as the Chair and the County Administrator, in their discretion, shall determine, and the execution thereof by the Chair and the County Administrator shall be conclusive evidence of such determination.

BE IT FURTHER RESOLVED, that the Chair and County Administrator, or their designees, are hereby authorized and directed to execute and deliver the Lease Agreement, the CDA Loan Agreement, and the Project Loan Agreement in the name and on behalf of the County.

BE IT FURTHER RESOLVED, that the Chair and the County Administrator are authorized to take any other action and execute any additional documents deemed necessary to carry out the intentions of this resolution, Lease Agreement, the CDA Loan Agreement, and the Project Loan Agreement.

BE IT FINALLY RESOLVED, that this resolution shall be in full force and effect from and after its passage.

| <b>COMMISSIONERS</b> | <b>VOTE</b>                  |                             |                                 |                                  |
|----------------------|------------------------------|-----------------------------|---------------------------------|----------------------------------|
| Weckman Brekke       | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Wolf                 | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Beard                | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Beer                 | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Ulrich               | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |

**State of Minnesota)**  
**County of Scott     )**

I, Lezlie Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 4<sup>th</sup> day of August, 2020 now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Shakopee, Minnesota, this 4<sup>th</sup> day of August, 2020.

\_\_\_\_\_  
County Administrator  
\_\_\_\_\_  
Administrator's Designee